



ANNUAL STATEMENT
FOR THE YEAR ENDED DECEMBER 31 , 2005
OF THE CONDITION AND AFFAIRS OF THE

Pawtucket Insurance Company

NAIC Group Code 0497, 0497 NAIC Company Code 14931 Employer's ID Number 05-0197250
(Current Period) (Prior Period)

Organized under the Laws of Rhode Island, State of Domicile or Port of Entry Rhode Island

Country of Domicile US

Incorporated / Organized June 19, 1848 Commenced Business February 12, 1849

Statutory Home Office 25 Maple Street, Pawtucket, Rhode Island 02860-2104
(Street and Number, City or Town, State and Zip Code)

Main Administrative Office 25 Maples Street, Pawtucket, Rhode Island 02860-2104 401-725-5600
(Street and Number, City or Town, State and Zip Code) (Area Code) (Telephone Number)

Mail Address P. O. Box 820, Pawtucket, Rhode Island 02862-0820
(Street and Number, City or Town, State and Zip Code)

Primary Location of Books and Records 25 Maple Street, Pawtucket, Rhode Island 02860-2104
(Street and Number, City or Town, State and Zip Code)
401-725-5600
(Area Code) (Telephone Number)

Internet Website Address N/A

Statutory Statement Contact Wayne Alan Wunschel 401-725-5600 ext 228
(Name) (Area Code) (Telephone Number) (Extension)
wwunschel@pawtucketinsurance.com 401-729-0487
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Policyowner Relations Contact 25 Maple Street, Pawtucket, Rhode Island 02860-2104 401-725-5600 ext 214
(Street and Number, City or Town, State and Zip Code) (Area Code) (Telephone Number) (Extension)

OFFICERS

- 1. Geoffrey Eugene Hunt# (Ececutive Vice President & Treasurer)
- 2. Albert Joseph Pereira# (President & Chief Underwriting Officer)
- 3. Stewart Horner Steffey, Jr. # (Chairman & Chief Executive Officer)
- 4. Stephen Donald Zubiago# (Secretary)

OTHER OFFICERS

Vincent Louis DelNero (Vice President & Chief Financial Officer)
Raymond Lawrence Deschene (Vice President)
Paul William Liberty (Vice President)
Linda Taylor Provost (Vice President)
Patrick Storm Wilmerding# (Vice President)
Wayne Alan Wunschel (Controller & Assistant Treasurer)

DIRECTORS OR TRUSTEES

Geoffrey Eugene Hunt#
Stewart Horner Steffey, Jr. #
Howard Craig Treiber#
Patrick Storm Wilmerding#

State of Rhode Island }
County of Providence } SS

The officers of this reporting entity being duly sworn, each depose and say that they are the described officers of said reporting entity, and that on the reporting period stated above, all of the herein described assets were the absolute property of the said reporting entity, free and clear from any liens or claims thereon, except as herein stated, and that this statement, together with related exhibits, schedules and explanations therein contained, annexed or referred to, is a full and true statement of all the assets and liabilities and of the condition and affairs of the said reporting entity as of the reporting period stated above, and of its income and deductions therefrom for the period ended, and have been completed in accordance with the NAIC Annual Statement Instructions and Accounting Practices and Procedures manual except to the extent that: (1) state law may differ; or, (2) that state rules or regulations require differences in reporting not related to accounting practices and procedures, according to the best of their information, knowledge and belief, respectively. Furthermore, the scope of this attestation by the described officers also includes the related corresponding electronic filing with the NAIC, when required, that is an exact copy (except for formatting differences due to electronic filing) of the enclosed statement. The electronic filing may be requested by various regulators in lieu of or in addition to the enclosed statement.

Geoffrey Eugene Hunt# Executive Vice President & Treasurer
Albert Joseph Pereira# President & Chief Underwriting Officer
Stephen Donald Zubiago# Secretary

Subscribed and sworn to before me this 1st day of March, 2006
a. Is this an original filing? Yes (X) No ()
b. If no: 1. State the amendment number
2. Date filed
3. Number of pages attached

ASSETS

	Current Year			Prior Year
	1 Assets	2 Nonadmitted Assets	3 Net Admitted Assets (Column 1 minus Column 2)	4 Net Admitted Assets
1. Bonds (Schedule D)	23,857,268		23,857,268	36,788,965
2. Stocks (Schedule D):				
2.1 Preferred stocks				
2.2 Common stocks				2,128
3. Mortgage loans on real estate (Schedule B):				
3.1 First liens				
3.2 Other than first liens				
4. Real estate (Schedule A):				
4.1 Properties occupied by the company (less \$ encumbrances)	358,458		358,458	437,533
4.2 Properties held for the production of income (less \$ encumbrances)				
4.3 Properties held for sale (less \$ encumbrances)				
5. Cash (\$ 4,270,003 , Schedule E - Part 1) , cash equivalents (\$, Schedule E - Part 2) and short-term investments (\$, Schedule DA)	4,270,003		4,270,003	1,736,902
6. Contract loans (including \$ premium notes)				
7. Other invested assets (Schedule BA)				
8. Receivables for securities				
9. Aggregate write-ins for invested assets				
10. Subtotals, cash and invested assets (Line 1 through Line 9)	28,485,729		28,485,729	38,965,528
11. Title plants less \$ charged off (for Title insurers only)				
12. Investment income due and accrued	452,600		452,600	647,769
13. Premiums and considerations:				
13.1 Uncollected premiums and agents' balances in the course of collection	258,373	258,373		
13.2 Deferred premiums , agents' balances and installments booked but deferred and not yet due (including \$ earned but unbilled premiums)				
13.3 Accrued retrospective premiums				
14. Reinsurance:				
14.1 Amounts recoverable from reinsurers	749,526		749,526	1,364,526
14.2 Funds held by or deposited with reinsured companies				
14.3 Other amounts receivable under reinsurance contracts				
15. Amounts receivable relating to uninsured plans				
16.1 Current federal and foreign income tax recoverable and interest thereon				
16.2 Net deferred tax asset	1,832,221	1,832,221		
17. Guaranty funds receivable or on deposit				
18. Electronic data processing equipment and software	275,799	243,707	32,092	
19. Furniture and equipment , including health care delivery assets (\$)	327,225	327,225		
20. Net adjustment in assets and liabilities due to foreign exchange rates				
21. Receivables from parent, subsidiaries and affiliates	131,000		131,000	
22. Health care (\$) and other amounts receivable				
23. Aggregate write-ins for other than invested assets	239,350	10,395	228,955	3,753,981
24. Total assets excluding Separate Accounts, Segregated Accounts and Protected Cell Accounts (Line 10 to Line 23)	32,751,823	2,671,921	30,079,902	44,731,804
25. From Separate Accounts, Segregated Accounts and Protected Cell Accounts				
26. TOTALS (Line 24 and Line 25)	32,751,823	2,671,921	30,079,902	44,731,804
DETAILS OF WRITE-INS				
0901.				
0902.				
0903.				
0998. Summary of remaining write-ins for Line 9 from overflow page				
0999. Totals (Line 0901 through Line 0903 plus Line 0998) (Line 9 above)				
2301. Prepaid Premium Taxes				208,034
2302. Other Income Receivable				2,500,000
2303. Fair Plan Assets	228,955		228,955	975,591
2398. Summary of remaining write-ins for Line 23 from overflow page	10,395	10,395		70,356
2399. Totals (Line 2301 through Line 2303 plus Line 2398) (Line 23 above)	239,350	10,395	228,955	3,753,981

ANNUAL STATEMENT FOR THE YEAR 2005 OF THE Pawtucket Insurance Company

LIABILITIES, SURPLUS AND OTHER FUNDS

	1 Current Year	2 Prior Year
1. Losses (Part 2A, Line 34, Column 8)	17,452,525	29,502,568
2. Reinsurance payable on paid losses and loss adjustment expenses (Schedule F, Part 1, Columnn 6)	449,680	756,400
3. Loss adjustment expenses (Part 2A, Line 34, Column 9)	4,610,000	8,088,000
4. Commissions payable, contingent commissions and other similar charges		134,912
5. Other expenses (excluding taxes, licenses and fees)	3,805,383	3,885,089
6. Taxes, licenses and fees (excluding federal and foreign income taxes)	150,522	191,507
7.1 Current federal and foreign income taxes (including \$ on realized capital gains (losses))		
7.2 Net deferred tax liability		
8. Borrowed money \$ and interest thereon \$		
9. Unearned premiums (Part 1A, Line 37, Column 5) (after deducting unearned premiums for ceded reinsurance of \$ and including warranty reserves of \$)	1,079	279,726
10. Advance premium		
11. Dividends declared and unpaid:		
11.1 Stockholders		
11.2 Policyholders		
12. Ceded reinsurance premiums payable (net of ceding commissions)		(85,882)
13. Funds held by company under reinsurance treaties (Schedule F, Part 3, Column 19)		
14. Amounts withheld or retained by company for account of others	2,008	2,188
15. Remittances and items not allocated	68,306	50,987
16. Provision for reinsurance (Schedule F, Part 7)	56,659	76,514
17. Net adjustments in assets and liabilities due to foreign exchange rates		
18. Drafts outstanding		
19. Payable to parent, subsidiaries and affiliates		
20. Payable for securities		
21. Liability for amounts held under uninsured accident and health plans		
22. Capital notes \$ and interest thereon \$		
23. Aggregate write-ins for liabilities		
24. Total liabilities excluding protected cell liabilities (Line 1 through Line 23)	26,596,162	42,882,009
25. Protected cell liabilities		
26. Total liabilities (Line 24 and Line 25)	26,596,162	42,882,009
27. Aggregate write-ins for special surplus funds		
28. Common capital stock	1,500,000	
29. Preferred capital stock		
30. Aggregate write-ins for other than special surplus funds		
31. Surplus notes		
32. Gross paid in and contributed surplus		
33. Unassigned funds (surplus)	1,983,741	1,849,795
34. Less treasury stock, at cost:		
34.1 shares common (value included in Line 28 \$)		
34.2 shares preferred (value included in Line 29 \$)		
35. Surplus as regards policyholders (Line 27 to Line 33, less Line 34) (Page 4, Line 39)	3,483,741	1,849,795
36. Totals (Page 2, Line 26, Column 3)	30,079,903	44,731,804
DETAILS OF WRITE-INS		
2301.		
2302.		
2303.		
2398. Summary of remaining write-ins for Line 23 from overflow page		
2399. Totals (Line 2301 through Line 2303 plus Line 2398) (Line 23 above)		
2701.		
2702.		
2703.		
2798. Summary of remaining write-ins for Line 27 from overflow page		
2799. Totals (Line 2701 through Line 2703 plus Line 2798) (Line 27 above)		
3001.		
3002.		
3003.		
3098. Summary of remaining write-ins for Line 30 from overflow page		
3099. Totals (Line 3001 through Line 3003 plus Line 3098) (Line 30 above)		

STATEMENT OF INCOME

UNDERWRITING INCOME	1	2
	Current Year	Prior Year
1. Premiums earned (Part 1, Line 34, Column 4)	268,619	9,175,842
DEDUCTIONS		
2. Losses incurred (Part 2, Line 34, Column 7)	(394,961)	7,773,149
3. Loss expenses incurred (Part 3, Line 25, Column 1)	(563,508)	3,081,370
4. Other underwriting expenses incurred (Part 3, Line 25, Column 2)	2,810,061	4,003,505
5. Aggregate write-ins for underwriting deductions	649,775	317,442
6. Total underwriting deductions (Line 2 through Line 5)	2,501,367	15,175,466
7. Net income of protected cells		
8. Net underwriting gain (loss) (Line 1 minus Line 6 plus Line 7)	(2,232,748)	(5,999,624)
INVESTMENT INCOME		
9. Net investment income earned (Exhibit of Net Investment Income, Line 17)	1,168,295	1,337,805
10. Net realized capital gains (losses) less capital gains tax of \$ (Exhibit of Capital Gains (Losses))	(141,897)	(242,288)
11. Net investment gain (loss) (Line 9 plus Line 10)	1,026,398	1,095,517
OTHER INCOME		
12. Net gain (loss) from agents' or premium balances charged off (amount recovered \$, amount charged off \$ 832,319)	(832,319)	(114,199)
13. Finance and service charges not included in premiums	(11,474)	58,508
14. Aggregate write-ins for miscellaneous income		2,500,000
15. Total other income (Line 12 through Line 14)	(843,793)	2,444,309
16. Net income before dividends to policyholders, after capital gains tax and before all other federal and foreign income taxes (Line 8 plus Line 11 plus Line 15)	(2,050,143)	(2,459,798)
17. Dividends to policyholders		
18. Net income, after dividends to policyholders, after capital gains tax and before all other federal and foreign income taxes (Line 16 minus Line 17)	(2,050,143)	(2,459,798)
19. Federal and foreign income taxes incurred		
20. Net income (Line 18 minus Line 19) (to Line 22)	(2,050,143)	(2,459,798)
CAPITAL AND SURPLUS ACCOUNT		
21. Surplus as regards policyholders, December 31 prior year (Page 4, Line 39, Column 2)	1,849,795	1,777,146
GAINS AND (LOSSES) IN SURPLUS		
22. Net income (from Line 20)	(2,050,143)	(2,459,798)
23. Net transfers (to) from Protected Cell accounts		
24. Change in net unrealized capital gains or (losses) less capital gains tax of \$	(1,360)	2,128
25. Change in net unrealized foreign exchange capital gain (loss)		
26. Change in net deferred income tax	(16,383,421)	344,865
27. Change in nonadmitted assets (Exhibit of Nonadmitted Assets, Line 26, Column 3)	18,549,783	2,450,666
28. Change in provision for reinsurance (Page 3, Line 16, Column 2 minus Column 1)	19,855	(14,000)
29. Change in surplus notes		
30. Surplus (contributed to) withdrawn from protected cells		
31. Cumulative effect of changes in accounting principles		
32. Capital changes:		
32.1 Paid in	1,500,000	
32.2 Transferred from surplus (Stock Dividend)		
32.3 Transferred to surplus		
33. Surplus adjustments:		
33.1 Paid in		
33.2 Transferred to capital (Stock Dividend)		
33.3 Transferred from capital		
34. Net remittances from or (to) Home Office		
35. Dividends to stockholders		
36. Change in treasury stock (Page 3, Line 34.1 and Line 34.2, Column 2 minus Column 1)		
37. Aggregate write-ins for gains and losses in surplus		(251,212)
38. Change in surplus as regards policyholders for the year (Line 22 through Line 37)	1,634,714	72,649
39. Surplus as regards policyholders, December 31 current year (Line 21 plus Line 38) (Page 3, Line 35)	3,484,509	1,849,795
DETAILS OF WRITE-INS		
0501. Additional Pension Liability booked directly to reserves		(577,212)
0502. Rehabilitation expenses	649,775	1,083,149
0503. Premium deficiency reserve		(188,495)
0598. Summary of remaining write-ins for Line 5 from overflow page		
0599. Totals (Line 0501 through Line 0503 plus Line 0598) (Line 5 above)	649,775	317,442
1401. Other Income		2,500,000
1402.		
1403.		
1498. Summary of remaining write-ins for Line 14 from overflow page		
1499. Totals (Line 1401 through Line 1403 plus Line 1498) (Line 14 above)		2,500,000
3701. Non admitted portion of prepaid reinsurance		326,000
3702. Increase in liability for defined benefit plan.		(577,212)
3703.		
3798. Summary of remaining write-ins for Line 37 from overflow page		
3799. Totals (Line 3701 through Line 3703 plus Line 3798) (Line 37 above)		(251,212)

CASH FLOW

	1	2
	Current Year	Prior Year
Cash from Operations		
1. Premiums collected net of reinsurance	1,117,517	4,122,759
2. Net investment income	1,512,031	2,686,087
3. Miscellaneous income	(843,794)	(55,691)
4. Total (Line 1 through Line 3)	1,785,755	6,753,155
5. Benefit and loss related payments	12,357,722	20,990,249
6. Net transfers to Separate, Segregated Accounts and Protected Cell Accounts		
7. Commissions, expenses paid and aggregate write-ins for deductions	4,613,457	12,827,341
8. Dividends paid to policyholders		
9. Federal and foreign income taxes paid (recovered) \$ net of tax on capital gains (losses)		
10. Total (Line 5 through Line 9)	16,971,179	33,817,590
11. Net cash from operations (Line 4 minus Line 10)	(15,185,424)	(27,064,435)
Cash from Investments		
12. Proceeds from investments sold, matured or repaid:		
12.1 Bonds	15,289,801	30,467,140
12.2 Stocks		
12.3 Mortgage loans		
12.4 Real estate		114,848
12.5 Other invested assets		
12.6 Net gains or (losses) on cash, cash equivalents and short-term investments		
12.7 Miscellaneous proceeds		
12.8 Total investment proceeds (Line 12.1 through Line 12.7)	15,289,801	30,581,988
13. Cost of investments acquired (long-term only):		
13.1 Bonds		7,271,985
13.2 Stocks		
13.3 Mortgage loans		
13.4 Real estate		3,995
13.5 Other invested assets		
13.6 Miscellaneous applications		
13.7 Total investments acquired (Line 13.1 through Line 13.6)		7,275,980
14. Net increase (decrease) in contract loans and premium notes		
15. Net cash from investments (Line 12.8 minus Line 13.7 minus Line 14)	15,289,801	23,306,008
Cash from Financing and Miscellaneous Sources		
16. Cash provided (applied):		
16.1 Surplus notes, capital notes		
16.2 Capital and paid in surplus, less treasury stock	1,500,000	
16.3 Borrowed funds		
16.4 Net deposits on deposit-type contracts and other insurance liabilities		
16.5 Dividends to stockholders		
16.6 Other cash provided (applied)	928,725	3,505,804
17. Net cash from financing and miscellaneous sources (Line 16.1 through Line 16.4 minus Line 16.5 plus Line 16.6)	2,428,725	3,505,804
RECONCILIATION OF CASH, CASH EQUIVALENTS AND SHORT-TERM INVESTMENTS		
18. Net change in cash, cash equivalents and short-term investments (Line 11 plus Line 15 plus Line 17)	2,533,102	(252,623)
19. Cash, cash equivalents and short-term investments:		
19.1 Beginning of period	1,736,899	1,989,524
19.2 End of year (Line 18 plus Line 19.1)	4,270,001	1,736,901
Note: Supplemental disclosures of cash flow information for non-cash transactions:		
20.0001		
20.0002		
20.0003		
20.0004		
20.0005		
20.0006		
20.0007		
20.0008		
20.0009		
20.0010		

UNDERWRITING AND INVESTMENT EXHIBIT
PART 1 - PREMIUMS EARNED

Line of Business	1 Net Premiums Written per Column 6, Part 1B	2 Unearned Premiums December 31 Prior Year- per Column 3, Last Year's Part 1	3 Unearned Premiums December 31 Current Year- per Column 5 Part 1A	4 Premiums Earned During Year (Columns 1 plus 2 minus 3)
1. Fire				
2. Allied lines				
3. Farmowners multiple peril				
4. Homeowners multiple peril	(9,867)	279,726	1,079	268,780
5. Commercial multiple peril	(232)			(232)
6. Mortgage guaranty				
8. Ocean marine				
9. Inland marine				
10. Financial guaranty				
11.1 Medical malpractice - occurrence				
11.2 Medical malpractice - claims-made				
12. Earthquake				
13. Group accident and health				
14. Credit accident and health (group and individual)				
15. Other accident and health				
16. Workers' compensation				
17.1 Other liability - occurrence				
17.2 Other liability - claims-made				
18.1 Products liability - occurrence				
18.2 Products liability - claims-made				
19.1, 19.2 Private passenger auto liability	42			42
19.3, 19.4 Commercial auto liability				
21. Auto physical damage	29			29
22. Aircraft (all perils)				
23. Fidelity				
24. Surety				
26. Burglary and theft				
27. Boiler and machinery				
28. Credit				
29. International				
30. Reinsurance - Nonproportional Assumed Property				
31. Reinsurance - Nonproportional Assumed Liability				
32. Reinsurance - Nonproportional Assumed Financial Lines				
33. Aggregate write-ins for other lines of business				
34. TOTALS	(10,028)	279,726	1,079	268,619
DETAILS OF WRITE-INS				
3301.				
3302.				
3303.				
3398. Summary of remaining write-ins for Line 33 from overflow page				
3399. Totals (Line 3301 through Line 3303 plus Line 3398) (Line 33 above)				

UNDERWRITING AND INVESTMENT EXHIBIT

PART 1A-RECAPITULATION OF ALL PREMIUMS

(a) Gross premiums (less reinsurance) and unearned premiums on all unexpired risks and reserve for return premiums under rate credit or retrospective rating plans based upon experience, viz:

Line of Business	1 Amount Unearned (Running One Year or Less from Date of Policy) (b)	2 Amount Unearned (Running More Than One Year from Date of Policy) (b)	3 Earned but Unbilled Premium	4 Reserve for Rate Credits and Retrospective Adjustments Based on Experience	5 Total Reserve for Unearned Premiums Columns 1 + 2 + 3 + 4
1. Fire					
2. Allied lines					
3. Farmowners multiple peril					
4. Homeowners multiple peril	1,079				1,079
5. Commercial multiple peril					
6. Mortgage guaranty					
8. Ocean marine					
9. Inland marine					
10. Financial guaranty					
11.1 Medical malpractice - occurrence					
11.2 Medical malpractice - claims-made					
12. Earthquake					
13. Group accident and health					
14. Credit accident and health (group and individual)					
15. Other accident and health					
16. Workers' compensation					
17.1 Other liability - occurrence					
17.2 Other liability - claims-made					
18.1 Products liability - occurrence					
18.2 Products liability - claims-made					
19.1, 19.2 Private passenger auto liability					
19.3, 19.4 Commercial auto liability					
21. Auto physical damage					
22. Aircraft (all perils)					
23. Fidelity					
24. Surety					
26. Burglary and theft					
27. Boiler and machinery					
28. Credit					
29. International					
30. Reinsurance - Nonproportional Assumed Property					
31. Reinsurance - Nonproportional Assumed Liability					
32. Reinsurance - Nonproportional Assumed Financial Lines					
33. Aggregate write-ins for other lines of business					
34. TOTALS	1,079				1,079
35. Accrued retrospective premiums based on experience					
36. Earned but unbilled premiums					
37. Balance (Sum of Line 34 through Line 36)					1,079
DETAILS OF WRITE-INS					
3301.					
3302.					
3303.					
3398. Summary of remaining write-ins for Line 33 from overflow page					
3399. Totals (Line 3301 through Line 3303 plus Line 3398) (Line 33 above)					

- (a) By gross premiums is meant the aggregate of all the premiums written in the policies or renewals in force.
Are they so returned in this statement? Yes (X) No ()
- (b) State here basis of computation used in each case.
Only Fair Plan Unearned Premiums

UNDERWRITING AND INVESTMENT EXHIBIT

PART 1B-PREMIUMS WRITTEN

Gross Premiums (Less Return Premiums) , Including Policy and Membership Fees
Written and Renewed During Year

Line of Business	1 Direct Business (a)	Reinsurance Assumed		Reinsurance Ceded		6 Net Premiums Written Columns 1 + 2 + 3 - 4 - 5
		2 From Affiliates	3 From Non-Affiliates	4 To Affiliates	5 To Non-Affiliates	
1. Fire						
2. Allied lines						
3. Farmowners multiple peril						
4. Homeowners multiple peril	(1,934)		(7,933)			(9,867)
5. Commercial multiple peril	(232)					(232)
6. Mortgage guaranty						
8. Ocean marine						
9. Inland marine						
10. Financial guaranty						
11.1 Medical malpractice - occurrence						
11.2 Medical malpractice - claims-made						
12. Earthquake						
13. Group accident and health						
14. Credit accident and health (group and individual)						
15. Other accident and health						
16. Workers' compensation						
17.1 Other liability - occurrence						
17.2 Other liability - claims-made						
18.1 Products liability - occurrence						
18.2 Products liability - claims-made						
19.1, 19.2 Private passenger auto liability	42					42
19.3, 19.4 Commercial auto liability						
21. Auto physical damage	29					29
22. Aircraft (all perils)						
23. Fidelity						
24. Surety						
26. Burglary and theft						
27. Boiler and machinery						
28. Credit						
29. International						
30. Reinsurance - Nonproportional Assumed Property	X X X					
31. Reinsurance - Nonproportional Assumed Liability	X X X					
32. Reinsurance - Nonproportional Assumed Financial Lines	X X X					
33. Aggregate write-ins for other lines of business						
34. TOTALS	(2,095)		(7,933)			(10,028)
DETAILS OF WRITE-INS						
3301.						
3302.						
3303.						
3398. Summary of remaining write-ins for Line 33 from overflow page						
3399. Totals (Line 3301 through Line 3303 plus Line 3398) (Line 33 above)						

(a) Does the company's direct premiums written include premiums recorded on an installment basis? Yes () No (X)
If yes: 1. The amount of such installment premiums \$
2. Amount at which such installment premiums would have been reported had they been recorded on an annualized basis \$

UNDERWRITING AND INVESTMENT EXHIBIT

PART 2 - LOSSES PAID AND INCURRED

Line of Business	Losses Paid Less Salvage				5	6	7	8
	1 Direct Business	2 Reinsurance Assumed	3 Reinsurance Recovered	4 Net Payments (Columns 1 plus 2 minus 3)	Net Losses Unpaid Current Year (Part 2A, Column 8)	Net Losses Unpaid Prior Year	Losses Incurred Current Year (Columns 4 plus 5 minus 6)	Percentage of Losses Incurred (Column 7, Part 2) to Premiums Earned (Column 4, Part 1)
1. Fire	37,220			37,220	8,000	104,000	(58,780)	
2. Allied lines	12,187			12,187	14,000	19,000	7,187	
3. Farmowners multiple peril								
4. Homeowners multiple peril	2,727,555	401,221	322,273	2,806,503	4,395,165	6,875,580	326,088	121.3
5. Commercial multiple peril	3,954,765	711	751,487	3,203,989	3,143,537	5,889,878	457,648	(197,262.1)
6. Mortgage guaranty								
8. Ocean marine								
9. Inland marine	32,600			32,600		59,400	(26,800)	
10. Financial guaranty								
11.1 Medical malpractice - occurrence								
11.2 Medical malpractice - claims-made								
12. Earthquake								
13. Group accident and health								
14. Credit accident and health (group and individual)								
15. Other accident and health								
16. Workers' compensation					30,461	32,461	(2,000)	
17.1 Other liability - occurrence	552,065		227,598	324,467	933,888	1,451,888	(193,533)	
17.2 Other liability - claims-made								
18.1 Products liability - occurrence								
18.2 Products liability - claims-made								
19.1, 19.2 Private passenger auto liability	5,847,550		696,993	5,150,557	9,100,574	15,006,740	(755,609)	(1,799,069.0)
19.3, 19.4 Commercial auto liability	783,833		600,000	183,833	20,000	234,874	(31,041)	
21. Auto physical damage	(97,425)		(150)	(97,275)	(193,100)	(172,254)	(118,121)	(407,313.8)
22. Aircraft (all perils)								
23. Fidelity								
24. Surety								
26. Burglary and theft								
27. Boiler and machinery								
28. Credit								
29. International								
30. Reinsurance- Nonproportional Assumed Property	X X X							
31. Reinsurance- Nonproportional Assumed Liability	X X X							
32. Reinsurance- Nonproportional Assumed Financial Lines	X X X							
33. Aggregate write-ins for other lines of business								
34. TOTALS	13,850,350	401,932	2,598,201	11,654,081	17,452,525	29,501,567	(394,961)	(147.0)
DETAILS OF WRITE-INS								
3301.								
3302.								
3303.								
3398. Summary of remaining write-ins for Line 33 from overflow page								
3399. Totals (Line 3301 through Line 3303 plus Line 3398) (Line 33 above)								

UNDERWRITING AND INVESTMENT EXHIBIT

PART 2A - UNPAID LOSSES AND LOSS ADJUSTMENT EXPENSES

Line of Business	Reported Losses				Incurred But Not Reported			8	9
	1 Direct	2 Reinsurance Assumed	3 Deduct Reinsurance Recoverable from Authorized and Unauthorized Companies	4 Net Losses Excluding Incurred But Not Reported (Columns 1 plus 2 minus 3)	5 Direct	6 Reinsurance Assumed	7 Reinsurance Ceded	Net Losses Unpaid (Columns 4 plus 5 plus 6 minus 7)	Unpaid Loss Adjustment Expenses
1. Fire	10,000			10,000	(2,000)			8,000	13,000
2. Allied lines	17,000			17,000	(3,000)			14,000	13,000
3. Farmowners multiple peril									
4. Homeowners multiple peril	4,145,406	267,196	340,437	4,072,165	448,000		125,000	4,395,165	1,261,000
5. Commercial multiple peril	3,525,488	6,549	583,500	2,948,537	760,000		565,000	3,143,537	1,233,000
6. Mortgage guaranty									
8. Ocean marine									
9. Inland marine									
10. Financial guaranty									
11.1 Medical malpractice - occurrence									
11.2 Medical malpractice - claims-made									
12. Earthquake									
13. Group accident and health								(a)	
14. Credit accident and health (group and individual)								(a)	
15. Other accident and health									
16. Workers' compensation		30,461		30,461				30,461	2,000
17.1 Other liability - occurrence	2,092,788		1,368,900	723,888	838,000		628,000	933,888	193,000
17.2 Other liability - claims-made									
18.1 Products liability - occurrence									
18.2 Products liability - claims-made									
19.1, 19.2 Private passenger auto liability	7,003,925		717,351	6,286,574	3,340,000		526,000	9,100,574	1,774,000
19.3, 19.4 Commercial auto liability	10,000			10,000	24,000		14,000	20,000	17,000
21. Auto physical damage	10,900			10,900	(204,000)			(193,100)	104,000
22. Aircraft (all perils)									
23. Fidelity									
24. Surety									
26. Burglary and theft									
27. Boiler and machinery									
28. Credit									
29. International									
30. Reinsurance- Nonproportional Assumed Property	X X X				X X X				
31. Reinsurance- Nonproportional Assumed Liability	X X X				X X X				
32. Reinsurance- Nonproportional Assumed Financial Lines	X X X				X X X				
33. Aggregate write-ins for other lines of business									
34. TOTALS	16,815,507	304,206	3,010,188	14,109,525	5,201,000		1,858,000	17,452,525	4,610,000
DETAILS OF WRITE-INS									
3301.									
3302.									
3303.									
3398. Summary of remaining write-ins for Line 33 from overflow page									
3399. Totals (Line 3301 through Line 3303 plus Line 3398) (Line 33 above)									

(a) Including \$ for present value of life indemnity claims.

UNDERWRITING AND INVESTMENT EXHIBIT

PART 3 - EXPENSES

	1	2	3	4
	Loss Adjustment Expenses	Other Underwriting Expenses	Investment Expenses	Total
1. Claim adjustment services:				
1.1 Direct	(1,156,089)			(1,156,089)
1.2 Reinsurance assumed	48,458			48,458
1.3 Reinsurance ceded	273,094			273,094
1.4 Net claim adjustment services (Line 1.1 plus Line 1.2 minus Line 1.3)	(1,380,725)			(1,380,725)
2. Commission and brokerage:				
2.1 Direct excluding contingent		(477)		(477)
2.2 Reinsurance assumed excluding contingent				
2.3 Reinsurance ceded excluding contingent				
2.4 Contingent - direct		(134,912)		(134,912)
2.5 Contingent - reinsurance assumed				
2.6 Contingent - reinsurance ceded				
2.7 Policy and membership fees				
2.8 Net commission and brokerage (Line 2.1 plus Line 2.2 minus Line 2.3 plus Line 2.4 plus Line 2.5 minus Line 2.6 plus Line 2.7)		(135,389)		(135,389)
3. Allowances to manager and agents				
4. Advertising				
5. Boards, bureaus and associations		(293,477)		(293,477)
6. Surveys and underwriting reports		(1,292)		(1,292)
7. Audit of assureds' records				
8. Salary and related items:				
8.1 Salaries	272,504	1,055,329	21,591	1,349,423
8.2 Payroll taxes	23,882	92,409	1,891	118,181
9. Employee relations and welfare	79,041	304,468	6,236	389,744
10. Insurance	14,076	54,305	1,112	69,494
11. Directors' fees				
12. Travel and travel items	3,739	12,081	241	16,061
13. Rent and rent items	41,128	157,818	3,235	202,181
14. Equipment	53,810	207,878	4,255	265,943
15. Cost or depreciation of EDP equipment and software	229,903	888,900	18,192	1,136,995
16. Printing and stationery	8,021	27,122	535	35,679
17. Postage, telephone and telegraph, exchange and express	19,536	75,496	1,545	96,578
18. Legal and auditing	34,284	111,381	2,218	147,883
19. Totals (Line 3 through Line 18)	779,924	2,692,418	61,051	3,533,393
20. Taxes, licenses and fees:				
20.1 State and local insurance taxes deducting guaranty association credits of \$		62,034		62,034
20.2 Insurance department licenses and fees		46,831		46,831
20.3 Gross guaranty association assessments				
20.4 All other (excluding federal and foreign income and real estate)				
20.5 Total taxes, licenses and fees (Line 20.1 plus Line 20.2 plus Line 20.3 plus Line 20.4)		108,865		108,865
21. Real estate expenses			157,362	157,362
22. Real estate taxes			66,577	66,577
23. Reimbursements by uninsured accident and health plans				
24. Aggregate write-ins for miscellaneous expenses	37,292	144,167	65,263	246,722
25. Total expenses incurred	(563,508)	2,810,061	350,253	(a) 2,596,805
26. Less unpaid expenses - current year	4,610,000	4,308,512	129,293	9,047,805
27. Add unpaid expenses - prior year	8,088,000	5,285,270	172,007	13,545,277
28. Amounts receivable relating to uninsured accident and health plans, prior year				
29. Amounts receivable relating to uninsured accident and health plans, current year				
30. TOTAL EXPENSES PAID (Line 25 minus Line 26 plus Line 27 minus Line 28 plus Line 29)	2,914,492	3,786,819	392,967	7,094,277
DETAILS OF WRITE-INS				
2401. Investment Fees			62,312	62,312
2402. Consulting and Outside Actuary	18,210	70,337	1,440	89,987
2403. Misc.	19,082	73,830	1,511	94,423
2498. Summary of remaining write-ins for Line 24 from overflow page				
2499. Totals (Line 2401 through Line 2403 plus Line 2498) (Line 24 above)	37,292	144,167	65,263	246,722

(a) Includes management fees of \$ to affiliates and \$ to non-affiliates.

EXHIBIT OF NET INVESTMENT INCOME

	1	2
	Collected During Year	Earned During Year
1. U. S. Government bonds	(a) 297,522	297,348
1.1 Bonds exempt from U. S. tax	(a)	
1.2 Other bonds (unaffiliated)	(a) 1,249,704	1,054,708
1.3 Bonds of affiliates	(a)	
2.1 Preferred stocks (unaffiliated)	(b)	
2.11 Preferred stocks of affiliates	(b)	
2.2 Common stocks (unaffiliated)		
2.21 Common stocks of affiliates		
3. Mortgage loans	(c)	
4. Real estate	(d) 166,500	166,500
5. Contract loans		
6. Cash, cash equivalents and short-term investments	(e) 79,066	79,066
7. Derivative instruments	(f)	
8. Other invested assets		
9. Aggregate write-ins for investment income		
10. Total gross investment income	1,792,792	1,597,622
11. Investment expenses		(g) 350,252
12. Investment taxes, licenses and fees, excluding federal income taxes		(g)
13. Interest expense		(h)
14. Depreciation on real estate and other invested assets		(i) 79,075
15. Aggregate write-ins for deductions from investment income		
16. Totals deductions (Line 11 through Line 15)		429,327
17. Net investment income (Line 10 minus Line 16)		1,168,295
DETAILS OF WRITE-INS		
0901.		
0902.		
0903.		
0998. Summary of remaining write-ins for Line 9 from overflow page		
0999. Totals (Line 0901 through Line 0903 plus Line 0998) (Line 9 above)		
1501.		
1502.		
1503.		
1598. Summary of remaining write-ins for Line 15 from overflow page		
1599. Totals (Line 1501 through Line 1503 plus Line 1598) (Line 15 above)		
(a) Includes \$ 1 accrual of discount less \$ 568,689 amortization of premium and less \$ paid for accrued interest on purchases.	(f) Includes \$ accrual of discount less \$ amortization of premium.	
(b) Includes \$ accrual of discount less \$ amortization of premium and less \$ paid for accrued dividends on purchases.	(g) Includes \$ investment expenses and \$ investment taxes, licenses and fees, excluding federal income taxes, attributable to segregated and Separate Accounts.	
(c) Includes \$ accrual of discount less \$ amortization of premium and less \$ paid for accrued interest on purchases.	(h) Includes \$ interest on surplus notes and \$ interest on capital notes.	
(d) Includes \$ 150,000 for company's occupancy of its own buildings; and excludes \$ interest on encumbrances.	(i) Includes \$ 79,075 depreciation on real estate and \$ depreciation on other invested assets.	
(e) Includes \$ accrual of discount less \$ amortization of premium and less \$ paid for accrued interest on purchases.		

EXHIBIT OF CAPITAL GAINS (LOSSES)

	1	2	3	4
	Realized Gain (Loss) on Sales or Maturity	Other Realized Adjustments	Increases (Decreases) by Adjustment	Total
1. U. S. Government bonds	(785)			(785)
1.1 Bonds exempt from U. S. tax				
1.2 Other bonds (unaffiliated)	(70,860)	(70,252)		(141,112)
1.3 Bonds of affiliates				
2.1 Preferred stocks (unaffiliated)				
2.11 Preferred stocks of affiliates				
2.2 Common stocks (unaffiliated)			(1,360)	(1,360)
2.21 Common stocks of affiliates				
3. Mortgage loans				
4. Real estate				
5. Contract loans				
6. Cash, cash equivalents and short-term investments				
7. Derivative instruments				
8. Other invested assets				
9. Aggregate write-ins for capital gains (losses)				
10. Total capital gains (losses)	(71,645)	(70,252)	(1,360)	(143,257)
DETAILS OF WRITE-INS				
0901.				
0902.				
0903.				
0998. Summary of remaining write-ins for Line 9 from overflow page				
0999. Totals (Line 0901 through Line 0903 plus Line 0998) (Line 9 above)				

EXHIBIT OF NONADMITTED ASSETS

	1	2	3
	Current Year Total Nonadmitted Assets	Prior Year Total Nonadmitted Assets	Change in Total Nonadmitted Assets (Col. 2 - Col. 1)
1. Bonds (Schedule D)			
2. Stocks (Schedule D):			
2.1 Preferred stocks			
2.2 Common stocks			
3. Mortgage loans on real estate (Schedule B):			
3.1 First liens			
3.2 Other than first liens			
4. Real estate (Schedule A):			
4.1 Properties occupied by the company			
4.2 Properties held for the production of income			
4.3 Properties held for sale			
5. Cash (Schedule E-Part 1) , cash equivalents (Schedule E-Part 2) and short-term investments (Schedule DA)			
6. Contract loans			
7. Other invested assets (Schedule BA)			
8. Receivable for securities			
9. Aggregate write-ins for invested assets			
10. Subtotals, cash and invested assets (Line 1 to Line 9)			
11. Title plants (for Title insurers only)			
12. Investment income due and accrued			
13. Premiums and considerations:			
13.1 Uncollected premiums and agents' balances in the course of collection	258,373	1,191,862	933,489
13.2 Deferred premiums, agents' balances and installments booked but deferred and not yet due			
13.3 Accrued retrospective premiums			
14. Reinsurance:			
14.1 Amounts recoverable from reinsurers			
14.2 Funds held by or deposited with reinsured companies			
14.3 Other amounts receivable under reinsurance contracts			
15. Amounts receivable relating to uninsured plans			
16.1 Current federal and foreign income tax recoverable and interest thereon			
16.2 Net deferred tax asset	1,832,221	18,215,642	16,383,421
17. Guaranty funds receivable or on deposit			
18. Electronic data processing equipment and software	243,707	339,843	96,136
19. Furniture and equipment , including health care delivery assets	327,225	1,407,310	1,080,085
20. Net adjustment in assets and liabilities due to foreign exchange rates			
21. Receivable from parent , subsidiaries and affiliates			
22. Health care and other amounts receivable			
23. Aggregate write-ins for other than invested assets	10,395	67,047	56,652
24. Total assets excluding Separate Accounts , Segregated Accounts and Protected Cell Accounts (Line 10 to Line 23)	2,671,921	21,221,704	18,549,783
25. From Separate Accounts , Segregated Accounts and Protected Cell Accounts			
26. Total (Line 24 and Line 25)	2,671,921	21,221,704	18,549,783
DETAILS OF WRITE-INS			
0901.			
0902.			
0903.			
0998. Summary of remaining write-ins for Line 9 from overflow page			
0999. Totals (Line 0901 through Line 0903 plus Line 0998) (Line 9 above)			
2301. Deposits With Employees	3,120	3,112	(8)
2302. Commissions Receivable	7,275	63,935	56,660
2303.			
2398. Summary of remaining write-ins for Line 23 from overflow page			
2399. Totals (Line 2301 through Line 2303 plus Line 2398) (Line 23 above)	10,395	67,047	56,652

NOTES TO FINANCIAL STATEMENTS

1. Summary of Significant Accounting Policies

A. Accounting Practices

The financial statements of Pawtucket Mutual Insurance Company in Rehabilitation are presented on the basis of accounting practices prescribed or permitted by the Rhode Island Insurance Department.

The Rhode Island Insurance Department recognizes only statutory accounting practices prescribed or permitted by the state of Rhode Island for determining and reporting financial condition and results of operations of an insurance company for determining its solvency under the Rhode Island Insurance Law. The National Association of Insurance Commissioners' (NAIC) Accounting Practices and Procedures manual, (NAIC SAP) has been adopted as a component of prescribed or permitted practices by the state of Rhode Island.

B. Use of Estimates in the Preparation of the Financial Statements

The preparation of financial statements in conformity with Statutory Accounting Principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities. It also requires disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the period. Actual results could differ from those estimates.

C. Accounting Policy

Premiums are earned over the terms of the related insurance policies and reinsurance contracts. Unearned premium reserves are established to cover the unexpired portion of premiums written. Such reserves are computed by pro rata methods for direct business.

Expenses incurred in connection with acquiring new insurance business, including such acquisitions costs as sales commissions, are charged to operations as incurred. Expenses incurred are reduced for ceding allowances received or receivable.

In addition, the company uses the following accounting policies:

1. Short-term investments are stated at amortized costs.
2. Bonds not backed by other loans are stated at amortized cost using the scientific interest method.
3. Common Stocks are stated at market.
4. N/A
5. N/A
6. Loan-backed securities are stated at amortized cost. The retrospective amortization adjustment method is used to value all loan-backed securities.
7. N/A
8. N/A
9. N/A
10. N/A
11. Unpaid losses and loss adjustment expenses include an amount determined from individual case estimates and loss reports and an amount, based on past experience, for losses incurred but not reported. Such liabilities are necessarily based on assumptions and estimates and while management believes the amount is adequate, the ultimate liability may be in excess of or less than the amount provided. The methods for making such estimates and for establishing the resulting liability are continually reviewed and any adjustments are reflected in the period determined.
12. The company has not modified its capitalization policy from the prior period.

2. Accounting Changes and Corrections of Errors

N/A

3. Business Combinations and Goodwill

N/A

4. Discontinued Operations

N/A

5. Investments

- A. N/A
- B. N/A
- C. N/A
- D. Loan-Backed Securities
 - 1) All loan-backed securities were purchased after January 1, 1994
 - 2) Prepayment assumptions for mortgage-backed securities were obtained from the company's investment advisor.
 - 3) N/A
- E. Repurchase Agreements

NOTES TO FINANCIAL STATEMENTS

For repurchase agreements the company requires a minimum of 100% of the fair value of securities purchased under repurchase agreements to be maintained as collateral.

6. Joint Ventures, Partnerships and Limited Liability Companies

N/A

7. Investment Income Excluded

No investment income due and accrued was excluded

8. Derivative Instruments

N/A

9. Income Taxes

A. The components of the net deferred tax asset (liability) at December 31 are as follows:

	<u>2005</u>	<u>2004</u>
1. Total of deferred tax assets (admitted and nonadmitted)	1,882,449	16,739,206
2. Total of deferred tax liabilities	(50,228)	(70,973)
3. Total of deferred tax assets nonadmitted in accordance with SSAP No. 10, Income Taxes	1,832,221	16,668,233
4. Total of all deferred tax assets admitted	-0-	-0-
5. Increase (decrease) in deferred tax assets nonadmitted	(14,836,012)	(70,695)

B. N/A

C. Current income taxes incurred consist of the following major components:

	<u>2005</u>	<u>2004</u>
Current year expense	-0-	-0-
Current income taxes incurred	-0-	-0-

The main components of deferred tax amounts are as follows:

<u>Deferred Tax Assets</u>	<u>12/31/05</u>	<u>12/31/04</u>
Loss Reserves	864,565	1,253,081
Pension Accrual	852,203	714,932
Depreciable assets	82,860	115,547
NOL carryforwards	25,009	1,822,522
All other	57,812	2,833,124
Total DTAs	1,882,449	16,739,206
DTAs nonadmitted	1,832,221	16,668,233

<u>Deferred Tax Liabilities</u>	<u>12/31/05</u>	<u>12/31/04</u>
Reserves-salvage & subro	50,228	70,973
Total DTA's	50,228	70,973
Net Admitted DTA's	-0-	-0-

The changes in net deferred taxes (exclusive of nonadmitted assets) are as follows:

	<u>12/31/05</u>	<u>12/31/04</u>	<u>Change</u>
Total deferred tax assets	1,882,449	16,739,206	(14,856,757)
Total deferred tax liabilities	<u>50,228</u>	<u>70,973</u>	<u>(20,745)</u>
Net deferred tax asset	<u>1,832,221</u>	<u>16,668,233</u>	<u>(14,836,012)</u>

D. Among the more significant book to tax adjustments were the following:

	<u>12/31/05</u>	<u>12/31/04</u>
Book over tax loss reserves	(465,135)	(822,459)
Net DAC adjustment	-0-	(527,798)
Depreciation	216,578	229,817
Deferred compensation related	(50,992)	25,160
All other	<u>(18,656)</u>	<u>106,946</u>
Total adjustments	(317,905)	(988,334)

E. At December 31, 2005, the company had \$73,557 of operating loss carryforwards originating in 2005 which expire, if unused, in 2025.

F. N/A

10. Information Concerning Parent, Subsidiaries and Affiliates

A, B and C.

Prior to December 7, 2005, the company owned 100% of the stock of Narragansett Bay Insurance Company (NAIC #43001). On December 7, 2005, the company was purchased by Blackstone Financial Group, Inc. (BFG) and the ownership of Narragansett Bay Insurance Company (NBIC) was distributed to BFG resulting in NBIC becoming a sister corporation of the company. See Note 21 for further information.

NOTES TO FINANCIAL STATEMENTS

On December 7, 2005, upon the purchase by Blackstone Financial Group, Inc., the company was removed from rehabilitation status. In conjunction with this purchase all assets and liabilities of the Narragansett Bay Insurance Company, other than its insurance licenses, were transferred, by order of the Rhode Island Superior Court, to Pawtucket Insurance Company, leaving the Narragansett Bay Insurance Company free of both assets and liabilities.

In accordance with the above-noted transfer of asset and liabilities, all income statement activity of both Pawtucket Insurance Company and Narragansett Bay Insurance Company from January 1, 2005 through December 6, 2005 has been presented in the Annual Statement of Pawtucket Insurance Company.

D. N/A

E. N/A

F. An expense sharing agreement, which will be effective as of January 1, 2006, is currently being drafted. The purpose of this agreement will be to establish written policies that present the methods of allocating expenses that benefit the members of the group. These allocation policies will be designed to be fair and equitable to all members.

G. See Note 10 A.

H. N/A

I. N/A

J. N/A

11. Debt

N/A

12. Retirement Plans, Deferred Compensation, Postemployment Benefits and Compensated Absences and Other Post Retirement Benefit Plans

A. Defined Benefit Plans

The company has a qualified defined benefit retirement plan covering substantially all of its employees. The benefits are based on years of service, age at retirement and employee's compensation during the last five years of employment. The company also has a non-qualified executive retirement plan covering certain senior officers. The plan provides minimum retirement benefits based on years of service, age at retirement and compensation during the last two years of employment.

Effective July 27, 2003, benefits accumulated under the qualified plan were frozen and no further benefits are accumulating for employees.

Effective September 22, 2005, the benefits due to two participants in the executive retirement plan were re-defined by the Rhode Island Superior Court. Of the remaining two participants, benefits for both have been accrued on a lump sum basis equaling \$168,000.

Additionally, during 2003, a plan providing certain healthcare benefits to retirees was terminated for both current and future retirees.

A summary of assets, obligations and assumptions of the Qualified Pension Plan are as follows at December 31, 2004 and 2005.

	<u>Qualified Plan Pension Benefits</u>	
	<u>2005</u>	<u>2004</u>
(1) Change in Benefit Obligations		
a. Benefit obligation at beginning of year	9,173,731	8,511,650
b. Service cost	-0-	36,373
c. Interest cost	519,307	508,732
d. Contribution by plan participants		
e. Actuarial (gain) loss	58,379	448,212
f. Foreign currency exchange rate changes		
g. Benefits paid	(444,407)	(331,236)
h. Plan amendments		
i. Business combinations, divestitures, curtailments, settlements and special terminations benefits		
j. Benefit obligation at end of year	9,307,011	9,173,731
(2) Change in plan assets		
a. Fair value of plan assets at beginning of year	7,262,320	6,892,067
b. Actual return on plan assets	180,011	369,536

NOTES TO FINANCIAL STATEMENTS

	d. Employer contributions	95,518	331,953
	e. Plan participants contribution		
	f. Benefits paid	(444,407)	(331,236)
	g. Business combinations, divestitures and settlements		
	h. Fair value of plan assets at end of year	7,093,442	7,262,320
(3)	Funded status		
	a. Unamortized prior service cost		
	b. Unrecognized net gain or (loss)	(2,435,408)	(2,102,740)
	c. Remaining net obligation or net asset at initial date of application		
	d. Prepaid assets or accrued liabilities	(2,213,569)	(1,911,412)
	e. Intangible asset		
(4)	Benefit obligation for non vested employees		32,936
(5)	Components of net periodic benefit cost		
	a. Service cost	-0-	36,373
	b. Interest cost	519,307	508,732
	c. Expected return on plan assets	533,031	539,523
	d. Amortization unrecognized transition obligation or transition asset		
	e. Amount of recognized gains and losses	78,731	40,988
	f. Amount of prior service cost recognized		
	g. Amount of gain or loss recognized due to a settlement or curtailment		
	h. Total net periodic benefit cost	65,007	46,570
(6)	The increase in the additional minimum pension liability is reflected in a change to pension expense		
(7)	Weighted-average assumptions as of Dec. 31		
	a. Discount rate	5.75%	5.75%
	b. rate of compensation increase	N/A plan is frozen	N/A plan is frozen
	c. expected long-term rate of return on plan assets	7.50%	8.00%
(8)	N/A		
(9)	N/A		
B.	N/A		
C.	N/A		
D.	N/A		

13. Capital and Surplus, Dividend Restrictions and Quasi-Reorganizations

1.

The company has 1,000,000 shares authorized, issued and outstanding.
2.

The company has no preferred stock outstanding.
3.

The company may not pay dividends for a period of five years from December 7, 2005 without prior approval of the Rhode Island (state of domicile) Department of Business Regulation. Subsequently, the company may pay dividends without such approval except as required under Rhode Island law.
4.

Within the limits of 3 above, there are no restrictions placed on the portion of profits that may be paid as ordinary dividends.
5.

N/A
6.

N/A
7.

N/A
8.

N/A
9.

N/A
10.

N/A
11.

N/A
12.

N/A

14. Contingencies

- A.

None
- B.

The company is aware of a number if insolvencies that has or will result in guaranty fund assessments against the company. The company has estimated these assessments to amount to \$292,776 and has accrued such amount at December 31, 2005.
- C.

None

NOTES TO FINANCIAL STATEMENTS

- D. Lawsuits against the company related to claims settlement activities arise in the course of business. The estimated settlement of all claims is included in paid and unpaid losses and loss adjusting expense.

15. Leases

The company incurs no significant lease expense.

16. Information About Financial Instruments with Off-Balance Sheet Risk and Financial Instruments with Concentration of Credit Risks

N/A

17. Sale, Transfer and Servicing of Financial Assets and Extinguishment of Liabilities

N/A

18. Gain or Loss to the Reporting Entity from Uninsured A & H Plans and the Uninsured Portion of Partially Insured Plans.

N/A

19. Direct Premium Written/Produced by Managing General Agents/Third Party Administrators

N/A

20. September 11 Events

1. Total losses resulting from the September 11 events were not significant. These losses related to personal property, additional living expenses, business interruption and business personal property
2. N/A
3. N/A
4. N/A

21. Other Items

On May 1, 2003, the Director of the Rhode Island Department of Business Regulation petitioned the Rhode Island Superior Court for Rehabilitation of Pawtucket Mutual Insurance Company. The petition was granted on May 1, 2003, and Director of the Rhode Island Department of Business Regulation was appointed Rehabilitator of Narragansett Bay Insurance Company.

Pursuant to orders of the Rhode Island Superior Court, Pawtucket Mutual Insurance Company was converted from a mutual company to a stock company in anticipation of the sale to and capitalization by Blackstone Financial Group, Inc., and the name of the company was changed to Pawtucket Insurance Company.

On December 7, 2005, the company was purchased by Blackstone Financial Group, Inc. and removed from rehabilitation status. In conjunction with this sale all assets and liabilities of Narragansett Bay Insurance Company, also owned by Blackstone Financial Group (See note 10), other than its insurance licenses, were transferred, by order of the Rhode Island Superior Court, to Pawtucket Insurance Company, leaving Narragansett Bay Insurance Company free of both assets and liabilities. Additionally, also by order of the Rhode Island Superior Court, any unasserted insurance claims for occurrences that took place prior to December 1, 1996, covered by either Pawtucket Mutual Insurance Company or Narragansett Bay Insurance Company were forever barred as untimely.

In accordance with the above-noted transfer of assets and liabilities, all income statement activity of both Pawtucket Insurance Company and Narragansett Bay Insurance Company from January 1, 2005 through December 6, 2005 has been presented in the Annual Statement of Pawtucket Insurance Company.

The company believes that the answers to certain of the questions on pages 16 and 17 of the Annual Statement require further explanation given the status of the company during 2005. The printed copy has been modified to include certain additional explanations. The PDF filed copy cannot accomodate such further explanations. The printed version has been filed with the Rhode Island Insurance Department. Copies of the modified pages are available on request from the Annual Statement contact person at Pawtucket Insurance Company.

Qualified Defined Benefit Pension Plan Information

Effective July 27, 2003, the benefits accumulated under the plan were frozen and no further benefits are accumulating for employees.

Plan Assets as of December 21,2005:

	<u>Amount</u>	<u>Percent</u>
Cash & Money Market Funds	126,205	1.8
U.S. Treasury Obligations	459,362	6.5
U.S. Government Agencies	1,372,089	19.3
Corporate Bonds	543,653	7.7
Common Stocks	4,287,050	60.4
Mutual Funds	<u>305,084</u>	<u>4.3</u>

NOTES TO FINANCIAL STATEMENTS

Total	7,093,443	100.0
-------	-----------	-------

Estimated Future Benefit Payments:

Year Ending:	
December 31, 2006	387,832
December 31, 2007	413,300
December 31, 2008	448,830
December 31, 2009	463,063
December 31, 2010	536,265
December 31, 2011 through December 31, 2015	2,830,032

Estimated Expected Contribution to the Plan:

Year Ending December 31, 2006	322,201
-------------------------------	---------

Investment Policies & Strategies:

Shortly after the purchase of the company (December 7, 2005) a new investment manager for plan assets was appointed. Management and the newly appointed investment manager will soon be formulating investment policies and strategies.

Expected long-term rate-of-return on assets:

The expected long-term rate of return on assets used is 7.50%. This amount is considered a reasonable, conservative estimate. A more refined estimate and the methodology of determining that estimate will be formulated after the investment policies and strategies are determined.

Non-Qualified Executive Retirement Plan

Effective September 22, 2005 the benefits due to two participants were redefined by the Rhode island Superior Court. Benefits for the remaining two participats have been accrued on a lump-sum basis equaling 168,000.

22. Events Subsequent

N/A

23. Reinsurance

- A.

Reinsurance Recoverable Exceeding 3% of Surplus

NAIC#	FEIN	REINSURER	RECOVERABLE
-------	------	-----------	-------------

Numerous individual reinsurance balances recoverable exceed 3% of surplus. See Schedule F, Part 3 for a listing by individual reinsurer.
- B.

N/A
- C.

Reinsurance Assumed and Ceded

Every reinsurance contract expired or was terminated prior to December 31, 2004. Consequently any related commissions have been recorded.
- D.

N/A
- E.

Effective June 30, 2004 the company terminated on a commutation basis a property quota share reinsurance program. As a result \$828,000 of ceded unpaid losses were transferred back to the company. No ceded unearned premiums were in effect at the point of termination.
- F.

N/A
- G.

N/A

24. Retrospectively Rated Contracts & Contracts Subject to Redetermination

N/A

25. Changes in Incurred Losses and Loss Adjustment Expenses

Reserves for incurred losses and loss adjustment expenses attributable to insured events of prior years has increased (decreased) by (\$1,189,000) from 2004 to 2005 as a result of reestimation of unpaid losses and loss adjustment expenses principally on the Homeowners and Auto Liability lines of insurance. This increase (decrease) is generally the result of ongoing analysis of recent loss development trends. Original estimates are increased or decreased as additional information becomes known regarding individual claims.

The company does not write retrospectively rated policies.

NOTES TO FINANCIAL STATEMENTS

26. Intercompany Pooling Arrangements

N/A

27. Structured Settlements

N/A

28. Healthcare Receivables

N/A

29. Participating Policies

N/A

30. Premium Deficiency Reserves

N/A

31. High Deductibles

N/A

32. Discounting of Liabilities for Unpaid Losses or Unpaid Loss Adjustment Expenses

N/A

33. Asbestos/Environmental Reserves

- A. Asbestos losses - Yes
- The company has potential exposures in its SMP, SBP and CPP lines of business for claims for resellers of items which contain asbestos which have been put into the chain of commerce and those contractors who may come across older building materials which may contain abestos. Reserves are set on a case by case basis for indemnity. LAE is not reserved on a case by case basis. Both LAE and IBNR are bulk reserved for all lines of business.

The company has had five such claims in the past five years, which are reflected in the exhibit below:

(1) Direct Basis						
		<u>2001</u>	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>
a.	Beginning reserves	22,000	13,000	18,000	16,000	16,000
b.	Incurred losses & LAE	3,179	18,168	7,966	1,887	180
c.	Calendar year payments	12,179	13,168	9,966	1,887	180
d.	Ending reserves	13,000	18,000	16,000	16,000	16,000
(2) Net of Ceded Reinsurance Basis						
a.	Beginning reserves	22,000	13,000	18,000	16,000	16,000
b.	Incurred Losses & LAE	3,179	18,168	7,960	1,887	180
c.	Calendar year payments	12,179	13,168	9,960	1,887	180
d.	Ending reserves	13,000	18,000	16,000	16,000	16,000

B. and C. Bulk and IBNR reserves are separately identified by line but not by type of claim

- D. Environmental losses - Yes
- The company had 54 environmental losses open as of 12/31/05 pertaining to four lines of business, Homeowners, Dwelling, SBP, and CPP. These claims are as a result of oil spills from overfilling residential oil tanks, escapes from corroded underground storage tanks, or spillage of dry cleaning solvents. Paid losses in 2005 amounted to \$206,047 and ALAE was \$93,476.

The company had one significant loss reported in 2004, which dates back to the 1988-1989 calendar years, which has a \$500,000 reserve. The direct incurred on that one claim as of 12/31/05 was \$532,972.

Reserves are set on a case by case basis for indemnity. LAE is not reserved on a case by case basis. Both LAE and IBNR are bulk reserved.

Due to the system limitations in prior years, the exhibit below reflected amounts from only the most significant claims. In 2003 the exhibit reported the ending reserve on the three significant claims as \$233,538 and the remaining 39 open claims were bulked together with an additional \$291,636 of reserves not included in this exhibit. The total beginning reserve for 2004 now reflects all such claims, as do all other amounts for 2004 and 2005. Pre-2004 amounts include only 3 individually significant claims.

NOTES TO FINANCIAL STATEMENTS

(1)	Direct Basis	<u>2001</u>	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>
	a. Beginning reserves	46,578	270,001	4,576	525,174	1,405,720
	b. Incurred losses & LAE	488,282	166,173	257,320	1,298,915	597,839
	c. Calendar year payments	264,859	431,598	28,358	418,369	299,523
	d. Ending reserves	270,001	4,576	233,538	1,405,720	1,704,036
(2)	Net of Ceded Reinsurance Basis:	<u>2001</u>	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>
	a. Beginning reserves	40,789	86,925	2,288	525,174	980,720
	b. Incurred losses & LAE	182,292	9,923	254,132	846,441	562,453
	c. Calendar year payments	136,156	94,560	22,288	418,369	264,137
	d. Ending reserves	86,925	2,288	233,538	953,246	1,279,036

E and F
Bulk and IBNR reserves are separately identified by line but not by type of claim.

34. Subscriber Savings Accounts

N/A

35. Multiple Peril Crop Insurance

N/A

SUMMARY INVESTMENT SCHEDULE

Investment Categories	Gross Investment Holdings		Admitted Assets as Reported in the Annual Statement	
	1 Amount	2 Percentage	3 Amount	4 Percentage
1. Bonds:				
1.1 U.S. treasury securities	5,294,093	18.585	5,294,093	18.585
1.2 U.S. government agency obligations (excluding mortgage-backed securities):				
1.21 Issued by U.S. government agencies				
1.22 Issued by U.S. government sponsored agencies				
1.3 Foreign government (including Canada, excluding mortgage-backed securities)				
1.4 Securities issued by states, territories, and possessions and political subdivisions in the U.S.:				
1.41 States, territories and possessions general obligations				
1.42 Political subdivisions of states, territories and possessions and political subdivisions general obligations				
1.43 Revenue and assessment obligations	5,783,715	20.303	5,783,715	20.303
1.44 Industrial development and similar obligations				
1.5 Mortgage-backed securities (includes residential and commercial MBS):				
1.51 Pass-through securities:				
1.511 Issued or guaranteed by GNMA	52,249	0.183	52,249	0.183
1.512 Issued or guaranteed by FNMA and FHLMC	95,301	0.335	95,301	0.335
1.513 All other				
1.52 CMOs and REMICs:				
1.521 Issued or guaranteed by GNMA, FNMA, FHLMC or VA				
1.522 Issued by non-U.S. Government issuers and collateralized by mortgage-backed securities issued or guaranteed by agencies shown in Line 1.521	604,868	2.123	604,868	2.123
1.523 All other				
2. Other debt and other fixed income securities (excluding short term):				
2.1 Unaffiliated domestic securities (includes credit tenant loans rated by the SVO)	12,027,042	42.220	12,027,042	42.220
2.2 Unaffiliated foreign securities				
2.3 Affiliated securities				
3. Equity interests:				
3.1 Investments in mutual funds				
3.2 Preferred stocks:				
3.21 Affiliated				
3.22 Unaffiliated				
3.3 Publicly traded equity securities (excluding preferred stocks):				
3.31 Affiliated				
3.32 Unaffiliated	768	0.003	768	0.003
3.4 Other equity securities:				
3.41 Affiliated				
3.42 Unaffiliated				
3.5 Other equity interests including tangible personal property under lease:				
3.51 Affiliated				
3.52 Unaffiliated				
4. Mortgage loans:				
4.1 Construction and land development				
4.2 Agricultural				
4.3 Single family residential properties				
4.4 Multifamily residential properties				
4.5 Commercial loans				
4.6 Mezzanine real estate loans				
5. Real estate investments:				
5.1 Property occupied by company	358,457	1.258	358,457	1.258
5.2 Property held for production of income (including \$ of property acquired in satisfaction of debt)				
5.3 Property held for sale (including \$ property acquired in satisfaction of debt)				
6. Contract loans				
7. Receivables for securities				
8. Cash, cash equivalents and short-term investments	4,270,003	14.990	4,270,003	14.990
9. Other invested assets				
10. Total invested assets	28,486,496	100.000	28,486,496	100.000

GENERAL INTERROGATORIES
PART 1 - COMMON INTERROGATORIES
GENERAL

- 1.1

Is the reporting entity a member of an Insurance Holding Company System consisting of two or more affiliated persons, one or more of which is an insurer?

Yes (X) No ()
- 1.2

If yes, did the reporting entity register and file with its domiciliary State Insurance Commissioner, Director or Superintendent, or with such regulatory official of the state of domicile of the principal insurer in the Holding Company System, a registration statement providing disclosure substantially similar to the standards adopted by the National Association of Insurance Commissioners (NAIC) in its Model Insurance Holding Company System Regulatory Act and model regulations pertaining thereto, or is the reporting entity subject to standards and disclosure requirements substantially similar to those required by such Act and regulations?

Yes (X) No () N/A ()
- 1.3

State Regulating?

Rhode Island
- 2.1

Has any change been made during the year of this statement in the charter, by-laws, articles of incorporation, or deed of settlement of the reporting entity?

Yes (X) No ()
- 2.2

If yes, date of change:
If not previously filed, furnish herewith a certified copy of the instrument as amended.

12/07/2005
- 3.1

State as of what date the latest financial examination of the reporting entity was made or is being made.

12/31/1999
- 3.2

State the as of date of the latest financial examination report became available from either the state of domicile or the reporting entity. This date should be the date of the examined balance sheet and not the date the report was completed or released.

12/31/1995
- 3.3

State as of what date the latest financial examination report became available to other states or the public from either the state of domicile or the reporting entity. This is the release date or completion date of the examination report and not the date of the examination (balance sheet date).

10/28/1997
- 3.4

By what department or departments?
Rhode Island - See Note 21 - Notes to Financial Statements
- 4.1

During the period covered by this statement, did any agent, broker, sales representative, non-affiliated sales/service organization or any combination thereof under common control (other than salaried employees of the reporting entity) receive credit or commissions for or control a substantial part (more than 20 percent of any major line of business measured on direct premiums) of:
- 4.11

sales of new business?

Yes () No (X)
- 4.12

renewals?

Yes () No (X)
- 4.2

During the period covered by this statement, did any sales/service organization owned in whole or in part by the reporting entity or an affiliate, receive credit or commissions for or control a substantial part (more than 20 percent of any major line of business measured on direct premiums) of:
- 4.21

sales of new business?

Yes () No (X)
- 4.22

renewals?

Yes () No (X)
- 5.1

Has the reporting entity been a party to a merger or consolidation during the period covered by this statement?

Yes (X) No ()
- 5.2

If yes, provide name of the entity, NAIC Company Code, and state of domicile (use two letter state abbreviation) for any entity that has ceased to exist as a result of the merger or consolidation.

1 Name of Entity	2 NAIC Company Code	3 State of Domicile
See Note 21 - Notes to Financial Statements
.....
.....

- 6.1

Has the reporting entity had any Certificates of Authority, licenses or registrations (including corporate registration, if applicable) suspended or revoked by any governmental entity during the reporting period? (You need not report an action, either formal or informal, if a confidentiality clause is part of the agreement.)

Yes () No (X)
- 6.2

If yes, give full information:
Certain licenses suspended in prevoius reporting period at which time
company was in rehabilitation
- 7.1

Does any foreign (non-United States) person or entity directly or indirectly control 10% or more of the reporting entity?

Yes () No (X)
- 7.2

If yes,

7.21

State the percentage of foreign control;

7.22

State the nationality(s) of the foreign person(s) or entity(s); or if the entity is a mutual or reciprocal, the nationality of its manager or attorney-in-fact and identify the type of entity(s) (e.g. individual, corporation, government, manager or attorney-in-fact).

..... %

1 Nationality	2 Type of Entity
.....
.....
.....

GENERAL INTERROGATORIES

- 8.1 Is the company a subsidiary of a bank holding company regulated by the Federal Reserve Board?

Yes () No (X)
- 8.2 If response to 8.1 is yes, please identify the name of the bank holding company.
- 8.3 Is the company affiliated with one or more banks, thrifts or securities firms?

Yes () No (X)
- 8.4 If response to 8.3 is yes, please provide the names and location (city and state of the main office) of any affiliates regulated by a federal financial regulatory services agency [i.e. the Federal Reserve Board (FRB), the Office of the Comptroller of the Currency (OCC), the Office of Thrift Supervision (OTS), the Federal Deposit Insurance Corporation (FDIC) and the Securities Exchange Commission (SEC)] and identify the affiliate's primary federal regulator.

<div>1</div> <div>Affiliate Name</div>	<div>2</div> <div>Location (City, State)</div>	<div>3</div> <div>FRB</div>	<div>4</div> <div>OCC</div>	<div>5</div> <div>OTS</div>	<div>6</div> <div>FDIC</div>	<div>7</div> <div>SEC</div>

9. What is the name and address of the independent certified public accountant or accounting firm retained to conduct the annual audit?

Johnson Lambert & Co., 230 Half Mile Rd., Red Bank, NJ 07701
10. What is the name, address and affiliation (officer/employee of the reporting entity or actuary/consultant associated with a(n) actuarial consulting firm) of the individual providing the statement of actuarial opinion/certification?

Joel S. Chansky, Milliman Inc., 289 Edgewater Dr., Wakefield, MA 01880
Consultant associated with an acturial consulting firm.
- 11.1 Does the reporting entity own any securities of a real estate holding company or otherwise hold real estate indirectly?

Yes () No (X)

11.11 Name of real estate holding company

11.12 Number of parcels involved

11.13 Total book/adjusted carrying value

\$
- 11.2 If yes, provide explanation
12. FOR UNITED STATES BRANCHES OF ALIEN REPORTING ENTITIES ONLY:

12.1 What changes have been made during the year in the United States manager or the United States trustees of the reporting entity?

12.2 Does this statement contain all business transacted for the reporting entity through its United States branch on risks wherever located?

Yes () No ()

12.3 Have there been any changes made to any of the trust indentures during the year?

Yes () No ()

12.4 If answer to (12.3) is yes, has the domiciliary or entry state approved the changes?

Yes () No () N/A (X)

BOARD OF DIRECTORS

13. Is the purchase or sale of all investments of the reporting entity passed upon either by the Board of Directors or a subordinate committee thereof?

Yes () No (X)
14. Does the reporting entity keep a complete permanent record of the proceedings of its Board of Directors and all subordinate committees thereof?

Yes () No (X)
15. Has the reporting entity an established procedure for disclosure to its board of directors or trustees of any material interest or affiliation on the part of any of its officers, directors, trustees, or responsible employees that is in conflict or is likely to conflict with the official duties of such person?

Yes () No (X)

FINANCIAL

- 16.1 Total amount loaned during the year (inclusive of Separate Accounts, exclusive of policy loans):

16.11 To directors or other officers

\$

16.12 To stockholders not officers

\$ 131,000

16.13 Trustees, supreme or grand (Fraternal only)

\$
- 16.2 Total amount of loans outstanding at end of year (inclusive of Separate Accounts, exclusive of policy loans):

16.21 To directors or other officers

\$

16.22 To stockholders not officers

\$ 131,000

16.23 Trustees, supreme or grand (Fraternal only)

\$
- 17.1 Were any assets reported in this statement subject to a contractual obligation to transfer to another party without the liability for such obligation being reported in the statement?

Yes () No (X)
- 17.2 If yes, state the amount thereof at December 31 of the current year:

17.21 Rented from others

\$

17.22 Borrowed from others

\$

17.23 Leased from others

\$

17.24 Other

\$

Disclose in Notes to Financial Statements the nature of each obligation.
- 18.1 Does this statement include payments for assessments as described in the Annual Statement Instructions other than guaranty fund or guaranty association assessments?

Yes () No (X)
- 18.2 If answer is yes:

18.21 Amount paid as losses or risk adjustment

\$

18.22 Amount paid as expenses

\$

18.23 Other amounts paid

\$
- 19.1 Does the reporting entity report any amounts due from parent, subsidiaries or affiliates on Page 2 of this statement?

Yes (X) No ()
- 19.2 If yes, indicate any amounts receivable from parent included in the Page 2 amount:

\$ 131,000

GENERAL INTERROGATORIES

INVESTMENT

20.1

Were all the stocks, bonds and other securities owned December 31 of current year, over which the reporting entity has exclusive control, in the actual possession of the reporting entity on said date, except as shown by Schedule E - Part 3 - Special Deposits?

Yes (X) No ()

20.2

If no, give full and complete information relating thereto:
.....
.....

21.1

Were any of the stocks, bonds or other assets of the reporting entity owned at December 31 of the current year not exclusively under the control of the reporting entity, except as shown on the Schedule E - Part 3 - Special Deposits, or has the reporting entity sold or transferred any assets subject to a put option contract that is currently in force? (Exclude securities subject to Interrogatory 17.1)

Yes (X) No ()

21.2

If yes, state the amount thereof at December 31 of the current year:

21.21

Loaned to others

\$

21.22

Subject to repurchase agreements

\$

21.23

Subject to reverse repurchase agreements

\$

21.24

Subject to dollar repurchase agreements

\$

21.25

Subject to reverse dollar repurchase agreements

\$

21.26

Pledged as collateral

\$ 1,038,218

21.27

Placed under option agreements

\$

21.28

Letter stock or securities restricted as to sale

\$

21.29

Other

\$ 1,149,782

21.3

For category (22.28) provide the following:

1 Nature of Restriction	2 Description	3 Amount
.....
.....
.....

22.1

Does the reporting entity have any hedging transactions reported on Schedule DB?

Yes () No (X)

22.2

If yes, has a comprehensive description of the hedging program been made available to the domiciliary state?
If no, attach a description with this statement.

Yes () No () N/A (X)

23.1

Were any preferred stocks or bonds owned as of December 31 of the current year mandatorily convertible into equity, or, at the option of the issuer, convertible into equity?

Yes () No (X)

23.2

If yes, state the amount thereof at December 31 of the current year.

\$

GENERAL INTERROGATORIES

INVESTMENT

24. Excluding items in Schedule E, real estate, mortgage loans and investments held physically in the reporting entity's offices, vaults or safety deposit boxes, were all stocks, bonds and other securities, owned throughout the current year held pursuant to a custodial agreement with a qualified bank or trust company in accordance with Part 1-General, Section IV.H-Custodial or Safekeeping Agreements of the NAIC Financial Condition Examiners Handbook? Yes (X) No ()

24.01 For agreements that comply with the requirements of the NAIC Financial Condition Examiners Handbook, complete the following:

¹ Name of Custodian (s)	² Custodian's Address
Bank of America.....	100 Westminister St. , Providence, RI 02903
.....
.....

24.02 For all agreements that do not comply with the requirements of the NAIC Financial Condition Examiners Handbook, provide the name, location and a complete explanation:

¹ Name(s)	² Location(s)	³ Complete Explanation(s)
.....
.....
.....

24.03 Have there been any changes, including name changes, in the custodian(s) identified in 24.01 during the current year? Yes () No (X)

24.04 If yes, give full and complete information relating thereto:

¹ Old Custodian	² New Custodian	³ Date of Change	⁴ Reason
.....
.....
.....

24.05 Identify all investment advisors, brokers/dealers or individuals acting on behalf of broker/dealers that have access to the investment accounts, handle securities and have authority to make investments on behalf of the reporting entity:

¹ Central Registration Depository Number(s)	² Name	³ Address
N/A	Mellon Financial.....	200 Turks Head Pl. , Providence, RI 02903
.....
.....

25.1 Does the reporting entity have any diversified mutual funds reported in Schedule D, Part 2 (diversified according to the Securities and Exchange Commission (SEC) in the Investment Company Act of 1940 [Section 5 (b) (1)])? Yes () No (X)

25.2 If yes, complete the following schedule:

¹ CUSIP#	² Name of Mutual Fund	³ Book/Adjusted Carrying Value
.....
.....
.....
Line 25.2998 from Overflow page
Line 25.2999 TOTAL (9999999)

25.3 For each mutual fund listed in the table above, complete the following schedule:

¹ Name of Mutual Fund (from above table)	² Name of Significant Holding of the Mutual Fund	³ Amount of Mutual Fund's Book/Adjusted Carrying Value Attributable to the Holding	⁴ Date of Valuation
.....
.....
.....

GENERAL INTERROGATORIES

26. Provide the following information for all short-term and long-term bonds and all preferred stocks . Do not substitute amortized value of statement value for fair value.

	1	2	3
	Statement (Admitted) Value	Fair Value	Excess of Statement over Fair Value (-) , or Fair Value over Statement (+)
26.1 Bonds	\$ 23,857,268	\$ 23,262,600	\$ (594,668)
26.2 Preferred stocks	\$	\$	\$
26.3 Totals	\$ 23,857,268	\$ 23,262,600	\$ (594,668)

26.4 Describe the sources or methods utilized in determining the fair values:
Investment Custodian
.....

27.1 Have all the filing requirements of the Purposes and Procedures manual of the NAIC Securities Valuation Office been followed? Yes (X) No ()

27.2 If no, list exceptions:
.....
.....

OTHER

28.1 Amount of payments to trade associations, service organizations and statistical or rating bureaus, if any? \$.....

28.2 List the name of the organization and the amount paid if any such payment represented 25% or more of the total payments to trade associations, service organizations and statistical or rating bureaus during the period covered by this statement.

1 Name	2 Amount Paid
.....	\$
.....	\$
.....	\$
.....	\$

29.1 Amount of payments for legal expenses, if any? \$ 267,568

29.2 List the name of the firm and the amount paid if any such payment represented 25% or more of the total payments for legal expenses during the period covered by this statement.

1 Name	2 Amount Paid
Nixon Peabody, LLP	\$ 101,838
Chace Ruttenberg & Freedman, LLP	\$ 122,340
.....	\$
.....	\$

30.1 Amount of payments for expenditures in connection with matters before legislative bodies, officers or departments of government, if any? \$

30.2 List the name of the firm and the amount paid if any such payment represented 25% or more of the total payment expenditures in connection with matters before legislative bodies officers or department of government during the period covered by this statement.

1 Name	2 Amount Paid
.....	\$
.....	\$
.....	\$
.....	\$

GENERAL INTERROGATORIES
PART 2 - PROPERTY AND CASUALTY INTERROGATORIES

1.1

Does the reporting entity have any direct Medicare Supplement Insurance in force?

Yes () No (X)

1.2

If yes, indicate premium earned on U. S. business only.

\$

1.3

What portion of Item (1.2) is not reported on the Medicare Supplement Insurance Experience Exhibit?

\$

1.31

Reason for excluding:

.....
.....

1.4

Indicate amount of earned premium attributable to Canadian and/or Other Alien not included in Line (1.2) above.

\$

1.5

Indicate total incurred claims on all Medicare Supplement insurance.

\$

1.6

Individual policies:

Most current three years:

1.61

Total premium earned

\$

1.62

Total incurred claims

\$

1.63

Number of covered lives

.....

All years prior to most current three years:

1.64

Total premium earned

\$

1.65

Total incurred claims

\$

1.66

Number of covered lives

.....

1.7

Group policies:

Most current three years:

1.71

Total premium earned

\$

1.72

Total incurred claims

\$

1.73

Number of covered lives

.....

All years prior to most current three years:

1.74

Total premium earned

\$

1.75

Total incurred claims

\$

1.76

Number of covered lives

.....

2. Health Test:

1

Current Year

2

Prior Year

2.1

Premium Numerator

\$

\$

2.2

Premium Denominator

\$

\$

2.3

Premium Ratio (Line 2.1/Line 2.2)

.....

.....

2.4

Reserve Numerator

\$

\$

2.5

Reserve Denominator

\$

\$

2.6

Reserve Ratio (Line 2.4/Line 2.5)

.....

.....

3.1

Does the reporting entity issue both participating and non-participating policies?

Yes () No (X)

3.2

If yes, state the amount of calendar year premiums written on:

3.21

Participating

\$

3.22

Non-participating policies

\$

4.

For Mutual Reporting Entities and Reciprocal Exchange only:

4.1

Does the reporting entity issue assessable policies?

Yes () No ()

4.2

Does the reporting entity issue non-assessable policies?

Yes () No ()

4.3

If assessable policies are issued, what is the extent of the contingent liability of the policyholders?

..... %

4.4

Total amount of assessments paid or ordered to be paid during the year on deposit notes or contingent premiums.

\$

5.

For Reciprocal Exchanges only:

5.1

Does the exchange appoint local agents?

Yes () No ()

5.2

If yes, is the commission paid:

5.21

Out of Attorney's-in-fact compensation

Yes () No () N/A (X)

5.22

As a direct expense of the exchange

Yes () No () N/A (X)

5.3

What expenses of the Exchange are not paid out of the compensation of the Attorney-in-fact?

.....
.....

5.4

Has any Attorney-in-fact compensation, contingent on fulfillment of certain conditions, been deferred?

Yes () No ()

5.5

If yes, give full information.

.....
.....

17

GENERAL INTERROGATORIES
PART 2 - PROPERTY AND CASUALTY INTERROGATORIES

6.1

What provision has this reporting entity made to protect itself from an excessive loss in the event of a catastrophe under a workers' compensation contract issued without limit of loss?

N/A

6.2

Describe the method used to estimate this reporting entity's probable maximum insurance loss, and identify the type of insured exposures comprising that probable maximum loss, the locations of concentrations of those exposures and the external resources (such as consulting firms or computer software models), if any, used in the estimation process:

No policies in force

6.3

What provision has this reporting entity made (such as a catastrophic reinsurance program) to protect itself from an excessive loss arising from the types and concentrations of insured exposures comprising its probable maximum property insurance loss?

No policies in force

6.4

Does the reporting entity carry catastrophe reinsurance protection for at least one reinstatement, in an amount sufficient to cover its estimated probable maximum loss attributable to a single loss event or occurrence?

Yes () No (X)

6.5

If no, describe any arrangements or mechanisms employed by the reporting entity to supplement its catastrophe reinsurance program or to hedge its exposure to uninsured catastrophic loss.

No policies in force

7.1

Has the reporting entity reinsured any risk with any other entity under a quota share reinsurance contract that includes a provision that would limit the reinsurers's losses below the stated quota share percentage (e.g., a deductible, a loss ratio corridor, a loss cap, an aggregate limit or any similar provisions)?

Yes () No (X)

7.2

If yes, indicate the number of reinsurance contracts containing such provisions.

7.3

If yes, does the amount of reinsurance credit taken reflect the reduction in quota share coverage caused by any applicable limiting provision(s)?

Yes () No (X)

8.1

Has this reporting entity reinsured any risk with any other entity and agreed to release such entity from liability, in whole or in part, from any loss that may occur on this risk, or portion thereof, reinsured?

Yes () No (X)

8.2

If yes, give full information.

9.1

Has the reporting entity ceded any risk under any reinsurance contract (or under multiple contracts with the same reinsurer or its affiliates) for which during the period covered by the statement: (i) it recorded a positive or negative underwriting result greater than 3% of prior year-end surplus as regards policyholders or it reported calendar year written premium ceded or year-end loss and loss expense reserves ceded greater than 3% of prior year-end surplus as regards policyholders; (ii) it accounted for that contract as reinsurance and not as a deposit; and (iii) the contract(s) contain one or more of the following features or other features that would have similar results:
(a) A contract term longer than two years and the contract is noncancellable by the reporting entity during the contract term;
(b) A limited or conditional cancellation provision under which cancellation triggers an obligation by the reporting entity, or an affiliate of the reporting entity, to enter into a new reinsurance contract with the reinsurer, or an affiliate of the reinsurer;
(c) Aggregate stop loss reinsurance coverage;
(d) An unconditional or unilateral right by either party to commute the reinsurance contract except for such provisions which are only triggered by a decline in the credit status of the other party;
(e) A provision permitting reporting of losses, or payment of losses, less frequently than on a quarterly basis (unless there is no activity during the period); or
(f) Payment schedule, accumulating retentions from multiple years or any features inherently designed to delay timing of the reimbursement to the ceding entity.

Yes () No (X)

9.2

Has the reporting entity during the period covered by the statement ceded any risk under any reinsurance contract (or under multiple contracts with the same reinsurer or its affiliates), excluding cessions to approved pooling arrangements or to captive insurance companies that are directly or indirectly controlling, controlled by, or under common control with (i) one or more unaffiliated policyholders of the reporting entity, or (ii) an association of which one or more unaffiliated policyholders of the reporting entity is a member where:
(a) The written premium ceded to the reinsurer by the reporting entity or its affiliates represents fifty percent (50%) or more of the entire direct and assumed premium written by the reinsurer based on its most recently available financial statement; or
(b) Twenty-five percent (25%) or more of the written premium ceded to the reinsurer has been retroceded back to the reporting entity or its affiliates.

Yes () No (X)

9.3

If yes to 9.1 or 9.2, please provide the following information in the Reinsurance Summary Supplemental Filing for General Interrogatory 9:
(a) The aggregate financial statement impact gross of all such ceded reinsurance contracts on the balance sheet and statement of income;
(b) A summary of the reinsurance contract terms and indicate whether it applies to the contracts meeting the criteria in 9.1 or 9.2; and
(c) A brief discussion of management's principle objectives in entering into the reinsurance contract including the economic purpose to be achieved.

9.4

Except for transactions meeting the requirements of paragraph 30 of SSAP No. 62, Property and Casualty Reinsurance, has the reporting entity ceded any risk under any reinsurance contract (or multiple contracts with the same reinsurer or its affiliates) during the period covered by the financial statement, and either:
(a) Accounted for that contract as reinsurance (either prospective or retroactive) under statutory accounting principles ("SAP") and as a deposit under generally accepted accounting principles ("GAAP"); or
(b) Accounted for that contract as reinsurance under GAAP and as a deposit under SAP?

Yes () No (X)

9.5

If yes to 9.4, explain in the Reinsurance Summary Supplemental Filing for General Interrogatory 9 (Section D) why the contract(s) is treated differently for GAAP and SAP.

GENERAL INTERROGATORIES
PART 2 - PROPERTY AND CASUALTY INTERROGATORIES

10.

If the reporting entity has assumed risks from another entity, there should be charged on account of such reinsurances a reserve equal to that which the original reporting entity would have been required to charge had it retained the risks. Has this been done?

Yes () No () N/A (X)

11.1

Has this reporting entity guaranteed policies issued by any other entity and now in force?

Yes () No (X)

11.2

If yes, give full information.

12.1

If the reporting entity recorded accrued retrospective premiums on insurance contracts on Line 13.3 of the asset schedule, Page 2, state the amount of corresponding liabilities recorded for:

12.11

Unpaid losses

\$

12.12

Unpaid underwriting expenses (including loss adjustment expenses)

\$

12.2

Of the amount on Line 13.3 of the asset schedule, Page 2, state the amount which is secured by letters of credit, collateral and other funds:

\$

12.3

If the reporting entity underwrites commercial insurance risks, such as workers' compensation, are premium notes or promissory notes accepted from its insureds covering unpaid premiums and/or unpaid losses?

Yes () No () N/A (X)

12.4

If yes, provide the range of interest rates charged under such notes during the period covered by this statement:

12.41

From

%

12.42

To

%

12.5

Are letters of credit or collateral and other funds received from insureds being utilized by the reporting entity to secure premium notes or promissory notes taken by the reporting entity, or to secure any of the reporting entity's reported direct unpaid loss reserves, including unpaid losses under loss deductible features of commercial policies?

Yes () No (X)

12.6

If yes, state the amount thereof at December 31 of the current year:

12.61

Letters of credit

\$

12.62

Collateral and other funds

\$

13.1

What amount of installment notes is owned and now held by the reporting entity?

\$

13.2

Have any of these notes been hypothecated, sold or used in any manner as security for money loaned within the past year?

Yes () No (X)

13.3

If yes, what amount?

\$

14.1

Largest net aggregate amount insured in any one risk (excluding workers' compensation):

\$

14.2

Does any reinsurance contract considered in the calculation of this amount include an aggregate limit of recovery without also including a reinstatement provision?

Yes () No (X)

14.3

State the number of reinsurance contracts (excluding individual facultative risk certificates, but including facultative programs, automatic facilities or facultative obligatory contracts) considered in the calculation of the amount.

15.1

Is the company a cedant in a multiple cedant reinsurance contract?

Yes () No (X)

15.2

If yes, please describe the method of allocating and recording reinsurance among the cedants:

15.3

If the answer to 15.1 is yes, are the methods described in item 15.2 entirely contained in the respective multiple cedant reinsurance contracts?

Yes () No (X)

15.4

If the answer to 15.3 is no, are the methods described in 15.2 entirely contained in written agreements?

Yes () No (X)

15.5

If the answer to 15.4 is no, please explain:

16.1

Has the reporting entity guaranteed any financed premium accounts?

Yes () No (X)

16.2

If yes, give full information.

GENERAL INTERROGATORIES
PART 2 - PROPERTY AND CASUALTY INTERROGATORIES

17.1 Does the reporting entity write any warranty business? Yes () No (X)

If yes, disclose the following information for each of the following types of warranty coverage:

	1	2	3	4	5
	Direct Losses Incurred	Direct Losses Unpaid	Direct Written Premium	Direct Premium Unearned	Direct Premium Earned
17.11 Home	\$	\$	\$	\$	\$
17.12 Products	\$	\$	\$	\$	\$
17.13 Automobile	\$	\$	\$	\$	\$
17.14 Other*	\$	\$	\$	\$	\$

* Disclose type of coverage:
.....
.....

18.1 Does the reporting entity include amounts recoverable on unauthorized reinsurance in Schedule F - Part 3 that it excludes from Schedule F - Part 5? Yes () No (X)

Incurred but not reported losses on contracts not in force on July 1, 1984 or subsequently renewed are exempt from inclusion in Schedule F - Part 5.
Provide the following information for this exemption:

18.11	Gross amount of unauthorized reinsurance in Schedule F - Part 3 excluded from Schedule F - Part 5	\$
18.12	Unfunded portion of Interrogatory 18.11	\$
18.13	Paid losses and loss adjustment expenses portion of Interrogatory 18.11	\$
18.14	Case reserves portion of Interrogatory 18.11	\$
18.15	Incurred but not reported portion of Interrogatory 18.11	\$
18.16	Unearned premium portion of Interrogatory 18.11	\$
18.17	Contingent commission portion of Interrogatory 18.11	\$

Provide the following information for all other amounts included in Schedule F - Part 3 and excluded from Schedule F - Part 5, not included above.

18.18	Gross amount of unauthorized reinsurance in Schedule F - Part 3 excluded from Schedule F - Part 5	\$
18.19	Unfunded portion of Interrogatory 18.18	\$
18.20	Paid losses and loss adjustment expenses portion of Interrogatory 18.18	\$
18.21	Case reserves portion of Interrogatory 18.18	\$
18.22	Incurred but not reported portion of Interrogatory 18.18	\$
18.23	Unearned premium portion of Interrogatory 18.18	\$
18.24	Contingent commission portion of Interrogatory 18.18	\$

FIVE-YEAR HISTORICAL DATA

Show amounts in whole dollars only , no cents; show percentages to one decimal place , i . e . 17 . 6 .

	1 2005	2 2004	3 2003	4 2002	5 2001
Gross Premiums Written (Page 8, Part 1B, Columns 1, 2 and 3)					
1. Liability lines (Lines 11.1, 11.2, 16, 17.1, 17.2, 18.1, 18.2, 19.1, 19.2 and 19.3, 19.4)	42	(111,390)	9,768,041	25,832,399	22,030,392
2. Property lines (Lines 1, 2, 9, 12, 21 and 26)	29	(48,655)	7,667,749	18,716,433	19,180,000
3. Property and liability combined lines (Lines 3, 4, 5, 8, 22 and 27)	(10,099)	(67,884)	20,110,187	50,432,579	51,942,280
4. All other lines (Lines 6, 10, 13, 14, 15, 23, 24, 28, 29 and 33)					
5. Nonproportional reinsurance lines (Lines 30, 31 and 32)					
6. Total (Line 34)	(10,028)	(227,929)	37,545,977	94,981,411	93,152,672
Net Premiums Written (Page 8, Part 1B, Column 6)					
7. Liability lines (Lines 11.1, 11.2, 16, 17.1, 17.2, 18.1, 18.2, 19.1, 19.2 and 19.3, 19.4)	42	(5,929)	6,143,833	20,087,406	17,234,688
8. Property lines (Lines 1, 2, 9, 12, 21 and 26)	29	(170,676)	4,432,802	9,937,638	11,663,830
9. Property and liability combined lines (Lines 3, 4, 5, 8, 22 and 27)	(10,099)	(804,712)	10,473,888	28,007,499	32,260,555
10. All other lines (Lines 6, 10, 13, 14, 15, 23, 24, 28, 29 and 33)					
11. Nonproportional reinsurance lines (Line 30, 31 and 32)					
12. Total (Line 34)	(10,028)	(981,317)	21,050,523	58,032,543	61,159,073
Statement of Income (Page 4)					
13. Net underwriting gain (loss) (Line 8)	(2,232,748)	(5,999,624)	(15,716,462)	(14,947,222)	(14,742,847)
14. Net investment gain (loss) (Line 11)	1,026,398	1,095,517	2,152,859	1,368,190	8,286,522
15. Total other income (Line 15)	(843,793)	2,444,309	317,298	744,137	964,318
16. Dividends to policyholders (Line 17)					
17. Federal and foreign income taxes incurred (Line 19)				(1,935,189)	324
18. Net income (Line 20)	(2,050,143)	(2,459,798)	(13,246,305)	(10,899,706)	(5,492,331)
Balance Sheet Lines (Pages 2 and 3)					
19. Total admitted assets excluding protected cell business (Page 2, Line 24, Column 3)	30,079,902	45,472,086	75,901,654	122,074,524	132,337,855
20. Premiums and considerations (Page 2, Column 3)					
20.1 In course of collection (Line 13.1)			142,520	4,301,536	4,281,209
20.2 Deferred and not yet due (Line 13.2)			2,466,896	10,430,653	11,805,232
20.3 Accrued retrospective premiums (Line 13.3)					
21. Total liabilities excluding protected cell business (Page 3, Line 24)	26,596,162	43,303,414	72,822,569	103,177,875	103,005,456
22. Losses (Page 3, Line 1 and Line 2)	17,902,205	30,258,968	45,972,514	45,870,199	44,584,125
23. Loss adjustment expenses (Page 3, Line 3)	4,610,000	8,088,000	12,618,000	15,849,000	15,605,000
24. Unearned premiums (Page 3, Line 9)	1,079	279,726	10,436,885	32,763,447	34,301,763
25. Capital paid up (Page 3, Line 28 and Line 29)	1,500,000	1,240,000	1,240,000	1,240,000	1,240,000
26. Surplus as regards policyholders (Page 3, Line 35)	3,483,741	2,168,726	3,079,085	18,896,645	29,332,398
Risk-Based Capital Analysis					
27. Total adjusted capital	3,483,741	1,849,795	3,079,085	18,896,645	29,332,398
28. Authorized control level risk-based capital	1,821,457	3,463,732	1	9,123,267	9,283,442
Percentage Distribution of Cash, Cash Equivalents and Invested Assets (Page 2, Column 3) (Item divided by Page 2, Line 10, Column 3) x 100.0					
29. Bonds (Line 1)	83.8	94.4	94.3	82.4	76.1
30. Stocks (Line 2.1 and Line 2.2)			1.9	14.3	19.1
31. Mortgage loans on real estate (Line 3.1 and Line 3.2)					
32. Real estate (Lines 4.1, 4.2 and 4.3)	1.3	1.2	0.7	0.9	0.9
33. Cash, cash equivalents and short-term investments (Line 5)	15.0	4.4	3.1	2.4	3.9
34. Contact loans (Line 6)				X X X	X X X
35. Other invested assets (Line 7)					
36. Receivables for securities (Line 8)					
37. Aggregate write-ins for invested assets (Line 9)					
38. Cash, cash equivalents and invested assets (Line 10)	100.0	100.0	100.0	100.0	100.0
Investments in Parent, Subsidiaries and Affiliates					
39. Affiliated bonds (Schedule D, Summary, Line 25, Column 1)					
40. Affiliated preferred stocks (Schedule D, Summary, Line 39, Column 1)					
41. Affiliated common stocks (Schedule D, Summary, Line 53, Column 2)					
42. Affiliated short-term investments (subtotals included in Schedule DA, Part 2, Column 5 Line 11)					
43. Affiliated mortgage loans on real estate					
44. All other affiliated					
45. Total of above Line 39 through Line 44					
46. Percentage of investments in parent, subsidiaries and affiliates to surplus as regards policyholders (Line 45 above divided by Page 3, Column 1, Line 35 x 100.0)					

FIVE-YEAR HISTORICAL DATA

(Continued)

	1 2005	2 2004	3 2003	4 2002	5 2001
Capital and Surplus Accounts (Page 4)					
47. Net unrealized capital gains (losses) (Line 24).....	(1,360)	(980,879)	(1,488,665)	(681,039)	(3,827,754)
48. Dividends to stockholders (Line 35).....					
49. Change in surplus as regards policyholders for the year (Line 38).....	1,634,714	(910,358)	(15,817,574)	(10,435,753)	(9,172,019)
Gross Losses Paid (Page 9, Part 2, Columns 1 and 2)					
50. Liability lines (Lines 11.1, 11.2, 16, 17.1, 17.2, 18.1, 18.2, 19.1, 19.2 and 19.3, 19.4).....	7,183,448	17,745,894	16,610,136	16,291,044	16,349,995
51. Property lines (Lines 1, 2, 9, 12, 21 and 26).....	(15,418)	1,522,572	9,011,740	10,370,742	10,080,598
52. Property and liability combined lines (Lines 3, 4, 5, 8, 22 and 27).....	7,084,252	13,618,590	28,741,295	29,699,735	37,180,451
53. All other lines (Lines 6, 10, 13, 14, 15, 23, 24, 28, 29 and 33).....					
54. Nonproportional reinsurance lines (Lines 30, 31, and 32).....					
55. Total (Line 34).....	14,252,282	32,887,056	54,363,171	56,361,521	63,611,044
Net Losses Paid (Page 9, Part 2, Column 4)					
56. Liability lines (Lines 11.1, 11.2, 16, 17.1, 17.2, 18.1, 18.2, 19.1, 19.2 and 19.3, 19.4).....	5,658,857	12,307,039	14,340,336	14,269,538	13,820,803
57. Property lines (Lines 1, 2, 9, 12, 21 and 26).....	(15,268)	905,326	5,509,073	6,240,260	7,867,954
58. Property and liability combined lines (Lines 3, 4, 5, 8, 22 and 27).....	6,010,492	9,135,178	17,303,564	18,062,455	27,345,823
59. All other lines (Lines 6, 10, 13, 14, 15, 23, 24, 28, 29 and 33).....					
60. Nonproportional reinsurance lines (Lines 30, 31, and 32).....					
61. Total (Line 34).....	11,654,081	22,347,543	37,152,973	38,572,253	49,034,580
Operating Percentages (Page 4) (Item divided by Page 4, Line 1) x 100.0					
62. Premiums earned (Line 1).....	100.0	100.0	100.0	100.0	100.0
63. Losses incurred (Line 2).....	(147.0)	84.7	83.7	66.9	71.8
64. Loss expenses incurred (Line 3).....	(209.8)	33.5	16.1	19.7	15.3
65. Other underwriting expenses incurred (Line 4).....	1,046.1	43.6	32.4	36.5	24.7
66. Net underwriting gain (loss) (Line 8).....	(831.2)	(65.3)	(36.2)	(25.0)	(21.7)
Other Percentages					
67. Other underwriting expenses to net premiums written (Page 4, Line 4 plus Line 5 minus Line 15 divided by Page 8, Part 1B, Column 6, Line 34 x 100.0).....	(42,916.1)	(191.3)	73.4	38.1	37.0
68. Losses and loss expenses incurred to premiums earned (Page 4, Line 2 plus Line 3 divided by Page 4, Line 1 x 100.0).....	(356.8)	118.3	99.9	86.8	87.0
69. Net premiums written to policyholders' surplus (Page 8, Part 1B, Column 6, Line 34 divided by Page 3, Line 35, Column 1 x 100.0).....	(0.3)	(45.3)	683.7	307.1	208.5
One Year Loss Development (000 omitted)					
70. Development in estimated losses and loss expenses incurred prior to current year (Schedule P, Part 2 - Summary, Line 12, Column 11).....	(1,189)	(705)	(3,691)	(2,793)	(1,070)
71. Percent of development of losses and loss expenses incurred to policyholders' surplus of prior year end (Line 70 above divided by Page 4, Line 21, Column 1 x 100.0).....	(64.3)				
Two Year Loss Development (000 omitted)					
72. Development in estimated losses and loss expenses incurred 2 years before the current year and prior year (Schedule P, Part 2 - Summary, Line 12, Column 12).....	(796)	(3,804)	(5,987)	(2,795)	(3,136)
73. Percent of development of losses and loss expenses incurred to reported policyholders' surplus of second prior year end (Line 72 above divided by Page 4, Line 21, Column 2 x 100.0).....	(44.8)	(0.1)			

SCHEDULE D - SUMMARY BY COUNTRY

Long-Term Bonds and Stocks OWNED December 31 of Current Year

Description		1 Book/Adjusted Carrying Value	2 Fair Value	3 Actual Cost	4 Par Value of Bonds
BONDS Governments (Including all obligations guaranteed by governments)	1. United States	5,346,342	5,126,664	5,420,494	4,701,011
	2. Canada				
	3. Other Countries				
	4. Totals	5,346,342	5,126,664	5,420,494	4,701,011
States, Territories and Possessions (Direct and guaranteed)	5. United States				
	6. Canada				
	7. Other Countries				
	8. Totals				
Political Subdivisions of States, Territories and Possessions (Direct and guaranteed)	9. United States				
	10. Canada				
	11. Other Countries				
	12. Totals				
Special revenue and special assessment obligations and all non-guaranteed obligations of agencies and authorities of governments and their political subdivisions	13. United States	5,879,015	5,693,732	5,982,003	5,353,326
	14. Canada				
	15. Other Countries				
	16. Totals	5,879,015	5,693,732	5,982,003	5,353,326
Public Utilities (unaffiliated)	17. United States				
	18. Canada				
	19. Other Countries				
	20. Totals				
Industrial and Miscellaneous and Credit Tenant Loans (unaffiliated)	21. United States	12,631,910	12,442,204	13,278,268	11,881,012
	22. Canada				
	23. Other Countries				
	24. Totals	12,631,910	12,442,204	13,278,268	11,881,012
Parent, Subsidiaries and Affiliates	25. Totals				
	26. Total Bonds	23,857,267	23,262,600	24,680,765	21,935,349
PREFERRED STOCKS					
Public Utilities (unaffiliated)	27. United States				
	28. Canada				
	29. Other Countries				
	30. Totals				
Banks, Trust and Insurance Companies (unaffiliated)	31. United States				
	32. Canada				
	33. Other Countries				
	34. Totals				
Industrial and Miscellaneous (unaffiliated)	35. United States				
	36. Canada				
	37. Other Countries				
	38. Totals				
Parent, Subsidiaries and Affiliates	39. Totals				
	40. Total Preferred Stocks				
COMMON STOCKS					
Public Utilities (unaffiliated)	41. United States				
	42. Canada				
	43. Other Countries				
	44. Totals				
Banks, Trust and Insurance Companies (unaffiliated)	45. United States				
	46. Canada				
	47. Other Countries				
	48. Totals				
Industrial and Miscellaneous (unaffiliated)	49. United States	768	768		
	50. Canada				
	51. Other Countries				
	52. Totals	768	768		
Parent, Subsidiaries and Affiliates	53. Totals				
	54. Total Common Stocks	768	768		
	55. Total Stocks	768	768		
	56. Total Bonds and Stocks	23,858,035	23,263,368	24,680,765	

SCHEDULE D - VERIFICATION BETWEEN YEARS

Bonds and Stocks

1. Book/adjusted carrying value of bonds and stocks, prior year	36,791,093	7. Amortization of premium	568,689
2. Cost of bonds and stocks acquired, Column 7, Part 3		8. Foreign Exchange Adjustment:	
3. Accrual of discount		8.1 Column 15, Part 1	
4. Increase (decreased) by adjustment:		8.2 Column 19, Part 2, Section 1	
4.1 Column 12 minus Column 14, Part 1	(70,252)	8.3 Column 16, Part 2, Section 2	
4.2 Column 15 minus Column 17, Part 2, Section 1		8.4 Column 15, Part 4	
4.3 Column 15, Part 2, Section 2	(1,360)	9. Book/adjusted carrying value at end of current period	23,858,030
4.4 Column 11 minus Column 13, Part 4	(71,612)	10. Total valuation allowance	
5. Total gain (loss), Column 19, Part 4	(71,647)	11. Subtotal (Line 9 plus Line 10)	23,858,030
6. Deduct consideration for bonds and stocks disposed of Column 7, Part 4	12,221,115	12. Total nonadmitted amounts	
		13. Statement value of bonds and stocks, current period	23,858,030

SCHEDULE P - ANALYSIS OF LOSSES AND LOSS EXPENSES

SCHEDULE P - PART 1 - SUMMARY

(\$000 Omitted)

Years in Which Premiums Were Earned and Losses Were Incurred	Premiums Earned			Loss and Loss Expense Payments								12 Number of Claims Reported - Direct and Assumed
	1	2	3	Loss Payments		Defense and Cost Containment Payments		Adjusting and Other Payments		10	11	
	Direct and Assumed	Ceded	Net (Columns 1 - 2)	4 Direct and Assumed	5 Ceded	6 Direct and Assumed	7 Ceded	8 Direct and Assumed	9 Ceded	Salvage and Subrogation Received	Total Net Paid (Columns 4 - 5 + 6 - 7 + 8 - 9)	
1. Prior	X X X	X X X	X X X	206	87	89	53	16		6	171	X X X
2. 1996	67,512	8,614	58,898	47,121	1,829	7,128	443	3,136	(4)	1,464	55,117	X X X
3. 1997	70,570	8,682	61,888	37,601	1,550	5,350	335	3,037	(3)	1,764	44,106	X X X
4. 1998	73,053	7,488	65,565	43,732	3,684	2,213	356	7,477	66	1,761	49,316	X X X
5. 1999	75,831	7,698	68,133	44,556	2,189	2,119	119	8,185	46	2,533	52,506	X X X
6. 2000	80,492	8,317	72,175	53,297	4,272	2,226	376	9,803	148	3,194	60,530	X X X
7. 2001	83,581	15,579	68,002	54,605	10,043	1,722	177	9,749	320	2,962	55,536	X X X
8. 2002	88,183	28,613	59,570	55,087	16,006	1,228	128	9,577	103	2,471	49,655	X X X
9. 2003	65,546	22,170	43,376	39,337	9,578	459	52	8,060	(13)	1,401	38,239	X X X
10. 2004	12,425	3,250	9,175	6,573	1,121	43	6	1,689	1	299	7,177	X X X
11. 2005	271		271									X X X
12. Totals	X X X	X X X	X X X	382,115	50,359	22,577	2,045	60,729	664	17,855	412,353	X X X

	Losses Unpaid				Defense and Cost Containment Unpaid				Adjusting and Other Unpaid		23	24	25
	Case Basis		Bulk + IBNR		Case Basis		Bulk + IBNR		21	22	Salvage and Subrogation Anticipated	Total Net Losses and Expenses Unpaid	Number of Claims Outstanding - Direct & Assumed
	13 Direct and Assumed	14 Ceded	15 Direct and Assumed	16 Ceded	17 Direct and Assumed	18 Ceded	19 Direct and Assumed	20 Ceded	Direct and Assumed	Ceded			
1.	1,096	600	35	30			23	9	33	3		545	X X X
2.	93		18	8			22	15	18	5	4	123	X X X
3.	320	5	29	16			35	21	40	8	20	374	X X X
4.	177		90	42			67	31	59	11	27	309	X X X
5.	347	13	163	67			153	70	130	25	60	618	X X X
6.	1,398	5	201	94			284	91	295	49	187	1,939	X X X
7.	2,640	180	430	158			455	167	505	95	274	3,430	X X X
8.	4,080	757	1,675	815			767	248	807	140	331	5,369	X X X
9.	5,813	1,438	2,141	592			1,017	360	1,083	203	310	7,461	X X X
10.	1,155	12	419	36			177	33	247	29	129	1,888	X X X
11.													X X X
12.	17,119	3,010	5,201	1,858			3,000	1,045	3,217	568	1,342	22,056	X X X

	Total Losses and Loss Expenses Incurred			Loss and Loss Expense Percentage (Incurred/Premiums Earned)			Nontabular Discount		34	Net Balance Sheet Reserves After Discount	
	26 Direct and Assumed	27 Ceded	28 Net	29 Direct and Assumed	30 Ceded	31 Net	32 Loss	33 Loss Expense	Inter - Company Pooling Participation Percentage	35 Losses Unpaid	36 Loss Expenses Unpaid
1.	X X X	X X X	X X X	X X X	X X X	X X X			X X X	501	44
2.	57,536	2,296	55,240	85.2	26.7	93.8				103	20
3.	46,412	1,932	44,480	65.8	22.3	71.9				328	46
4.	53,815	4,190	49,625	73.7	56.0	75.7				225	84
5.	55,653	2,529	53,124	73.4	32.9	78.0				430	188
6.	67,504	5,035	62,469	83.9	60.5	86.6				1,500	439
7.	70,106	11,140	58,966	83.9	71.5	86.7				2,732	698
8.	73,221	18,197	55,024	83.0	63.6	92.4				4,183	1,186
9.	57,910	12,210	45,700	88.4	55.1	105.4				5,924	1,537
10.	10,303	1,238	9,065	82.9	38.1	98.8				1,526	362
11.											
12.	X X X	X X X	X X X	X X X	X X X	X X X			X X X	17,452	4,604

Note: Parts 2 and 4 are gross of all discounting, including tabular discounting. Part 1 is gross of only nontabular discounting, which is reported in Columns 32 and 33 of Part 1. The tabular discount, if any, is reported in the Notes to Financial Statements which will reconcile Part 1 with Parts 2 and 4.

SCHEDULE P - PART 2 - SUMMARY

Years in Which Losses Were Incurred	INCURRED NET LOSSES AND DEFENSE AND COST CONTAINMENT EXPENSES REPORTED AT YEAR END (\$000 OMITTED)										DEVELOPMENT	
	1 1996	2 1997	3 1998	4 1999	5 2000	6 2001	7 2002	8 2003	9 2004	10 2005	11 One Year	12 Two Year
1. Prior .....	..... 24,390	..... 22,748	..... 23,733	..... 21,345	..... 21,226	..... 20,878	..... 20,877	..... 20,899	..... 20,792	..... 20,799	..... 7	..... (100)
2. 1996 .....	..... 55,561	..... 53,543	..... 52,909	..... 52,912	..... 52,497	..... 52,037	..... 52,042	..... 52,139	..... 52,087	..... 52,087	.....	..... (52)
3. 1997	X X X	..... 43,018	..... 42,531	..... 42,746	..... 42,660	..... 42,137	..... 41,779	..... 41,398	..... 41,220	..... 41,408	..... 188	..... 10
4. 1998	X X X	X X X	..... 39,880	..... 42,746	..... 42,872	..... 42,212	..... 42,366	..... 42,271	..... 42,365	..... 42,166	..... (199)	..... (105)
5. 1999	X X X	X X X	X X X	..... 47,407	..... 47,163	..... 46,757	..... 46,273	..... 45,354	..... 45,053	..... 44,880	..... (173)	..... (474)
6. 2000	X X X	X X X	X X X	X X X	..... 52,486	..... 53,823	..... 52,788	..... 52,326	..... 52,069	..... 52,568	..... 499	..... 242
7. 2001	X X X	X X X	X X X	X X X	X X X	..... 51,819	..... 50,750	..... 49,294	..... 49,498	..... 49,127	..... (371)	..... (167)
8. 2002	X X X	X X X	X X X	X X X	X X X	X X X	..... 44,376	..... 43,894	..... 44,281	..... 44,883	..... 602	..... 989
9. 2003	X X X	X X X	X X X	X X X	X X X	X X X	X X X	..... 37,886	..... 37,294	..... 36,747	..... (547)	..... (1,139)
10. 2004	X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X	..... 8,354	..... 7,159	..... (1,195)	X X X
11. 2005	X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X	.....	X X X	X X X
12. Totals											..... (1,189)	..... (796)

SCHEDULE P - PART 3 - SUMMARY

Years in Which Losses Were Incurred	CUMULATIVE PAID NET LOSSES AND DEFENSE AND COST CONTAINMENT EXPENSES REPORTED AT YEAR END (\$000 OMITTED)										11	12
	1 1996	2 1997	3 1998	4 1999	5 2000	6 2001	7 2002	8 2003	9 2004	10 2005	Number of Claims Closed With Loss Payment	Number of Claims Closed Without Loss Payment
1. Prior	0 0 0	..... 8,466	..... 13,192	..... 16,278	..... 18,502	..... 19,345	..... 19,704	..... 19,978	..... 20,129	..... 20,284	X X X	X X X
2. 1996 .....	..... 31,636	..... 43,700	..... 46,100	..... 48,544	..... 50,189	..... 50,817	..... 51,405	..... 51,741	..... 51,829	..... 51,977	X X X	X X X
3. 1997	X X X	..... 23,704	..... 32,621	..... 35,774	..... 38,453	..... 40,064	..... 40,855	..... 40,842	..... 41,047	..... 41,066	X X X	X X X
4. 1998	X X X	X X X	..... 22,751	..... 31,690	..... 35,335	..... 37,722	..... 39,652	..... 40,629	..... 41,446	..... 41,905	X X X	X X X
5. 1999	X X X	X X X	X X X	..... 24,354	..... 34,184	..... 38,944	..... 41,550	..... 42,536	..... 43,599	..... 44,367	X X X	X X X
6. 2000	X X X	X X X	X X X	X X X	..... 27,961	..... 40,648	..... 44,149	..... 45,935	..... 48,649	..... 50,875	X X X	X X X
7. 2001	X X X	X X X	X X X	X X X	X X X	..... 28,256	..... 37,415	..... 41,091	..... 43,966	..... 46,107	X X X	X X X
8. 2002	X X X	X X X	X X X	X X X	X X X	X X X	..... 21,688	..... 32,186	..... 36,670	..... 40,181	X X X	X X X
9. 2003	X X X	X X X	X X X	X X X	X X X	X X X	X X X	..... 20,513	..... 27,560	..... 30,166	X X X	X X X
10. 2004	X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X	..... 4,785	..... 5,489	X X X	X X X
11. 2005	X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X	.....	X X X	X X X

SCHEDULE P - PART 4 - SUMMARY

Years in Which Losses Were Incurred	BULK AND IBNR RESERVES ON NET LOSSES AND DEFENSE AND COST CONTAINMENT EXPENSES REPORTED AT YEAR END (\$000 OMITTED)									
	1 1996	2 1997	3 1998	4 1999	5 2000	6 2001	7 2002	8 2003	9 2004	10 2005
1. Prior .....	..... 8,834	..... 5,351	..... 3,273	..... 1,721	..... 871	..... 436	..... 158	..... 178	..... 57	..... 19
2. 1996 .....	..... 9,744	..... 4,953	..... 3,482	..... 2,219	..... 1,123	..... 472	..... 174	..... 121	..... 53	..... 17
3. 1997	X X X	..... 8,588	..... 5,135	..... 3,386	..... 2,055	..... 989	..... 409	..... 157	..... 73	..... 27
4. 1998	X X X	X X X	..... 6,076	..... 5,345	..... 3,440	..... 1,807	..... 911	..... 308	..... 138	..... 84
5. 1999	X X X	X X X	X X X	..... 10,080	..... 6,501	..... 3,948	..... 2,099	..... 621	..... 356	..... 179
6. 2000	X X X	X X X	X X X	X X X	..... 9,937	..... 7,269	..... 3,621	..... 1,292	..... 591	..... 300
7. 2001	X X X	X X X	X X X	X X X	X X X	..... 11,657	..... 6,266	..... 2,338	..... 1,179	..... 560
8. 2002	X X X	X X X	X X X	X X X	X X X	X X X	..... 9,724	..... 4,807	..... 2,245	..... 1,379
9. 2003	X X X	X X X	X X X	X X X	X X X	X X X	X X X	..... 7,297	..... 3,381	..... 2,206
10. 2004	X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X	..... 1,513	..... 527
11. 2005	X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X	.....

SCHEDULE T - EXHIBIT OF PREMIUMS WRITTEN

States, Etc.		1	Gross Premiums, Including Policy and Membership Fees Less Return Premiums and Premiums on Policies Not Taken		4	5	6	7	8	9
		Is Insurer Licensed? (Yes or No)	2 Direct Premiums Written	3 Direct Premiums Earned	Dividends Paid or Credited to Policyholders on Direct Business	Direct Losses Paid (Deducting Salvage)	Direct Losses Incurred	Direct Losses Unpaid	Finance and Service Charges Not Included in Premiums	Direct Premium Written for Federal Purchasing Groups (Included in Column 2)
1. Alabama	AL	No								
2. Alaska	AK	No								
3. Arizona	AZ	No								
4. Arkansas	AR	No								
5. California	CA	No								
6. Colorado	CO	No								
7. Connecticut	CT	Yes				170,908	(97,238)	457,739		
8. Delaware	DE	Yes				473,974	(1,277,151)	1,206,021		
9. Dist. Columbia	DC	No								
10. Florida	FL	No								
11. Georgia	GA	No								
12. Hawaii	HI	No								
13. Idaho	ID	No								
14. Illinois	IL	No								
15. Indiana	IN	No								
16. Iowa	IA	No								
17. Kansas	KS	No								
18. Kentucky	KY	No								
19. Louisiana	LA	No								
20. Maine	ME	Yes	29	29		486,922	109,469	225,435		
21. Maryland	MD	Yes								
22. Massachusetts	MA	Yes	(156)	(156)		952,632	(403,020)	3,376,405		
23. Michigan	MI	No								
24. Minnesota	MN	No								
25. Mississippi	MS	No								
26. Missouri	MO	No								
27. Montana	MT	No								
28. Nebraska	NE	No								
29. Nevada	NV	No								
30. New Hampshire	NH	Yes	(190)	(190)		2,270,333	(3,441,660)	3,162,733		
31. New Jersey	NJ	Yes				3,008,699	478,799	3,325,130		
32. New Mexico	NM	No								
33. New York	NY	Yes	(838)	(838)		2,140,830	851,264	2,575,929		
34. North Carolina	NC	No								
35. North Dakota	ND	No								
36. Ohio	OH	No								
37. Oklahoma	OK	No								
38. Oregon	OR	No								
39. Pennsylvania	PA	Yes						26,000		
40. Rhode Island	RI	Yes	(940)	(940)		4,039,946	243,806	6,996,510		
41. South Carolina	SC	No								
42. South Dakota	SD	No								
43. Tennessee	TN	No								
44. Texas	TX	No								
45. Utah	UT	No								
46. Vermont	VT	Yes				355,602	17,025	649,602		
47. Virginia	VA	No				(49,833)	(34,833)	15,000		
48. Washington	WA	No								
49. West Virginia	WV	No								
50. Wisconsin	WI	No								
51. Wyoming	WY	No								
52. American Samoa	AS	No								
53. Guam	GU	No								
54. Puerto Rico	PR	No								
55. U. S. Virgin Islands	VI	No								
56. Canada	CN	No								
57. Aggregate other alien	OT	X X X								
58. Totals	(a)	11	(2,095)	(2,095)		13,850,013	(3,553,539)	22,016,504		
DETAILS OF WRITE-INS										
5701.		X X X								
5702.		X X X								
5703.		X X X								

All premiums location of risk

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**SCHEDULE Y - INFORMATION CONCERNING ACTIVITIES
OF INSURER MEMBERS OF A HOLDING COMPANY GROUP**

PART 1 - ORGANIZATIONAL CHART

BLACKSTONE FINANCIAL GROUP, INC OWNS 100% OF THE STOCK OF PAWTUCKET INSURANCE COMPANY (FEIN 05-0197250, NAIC #14931, RI) AND ALSO OWNS 100% OF THE STOCK OF NARRAGANSETT BAY INSURANCE COMPANY (FEIN 05-0394576, NAIC #43001, RI)